Seaway Pact May Jeopardize Waterpower Industry

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The Nation's Business

Issues Clear-Cut for Parley
Ontario Bears Burden of Seaway Pact
Abitibi Canyon Fate Hangs in Balance
Thornton Resigns from C. N. R.

Issue of Empire Meet Is Clear Cut

CANADIAN business awaits anxiously the results of the Imperial Conference now beginning under most favorable auspices.

As yet no hint of Canada's official policy as to tariff and currency matters has leaked out, although the general impression seems to prevail that Prime Minister Bennett will make definite concessions from his rigid policy of high tariff in order to ensure the success of the conference as far as Canada's contribution to cause of intra-Empire trade is concerned.

* * *

THE issue is clear-cut. Either the leading members of the Empire must be prepared to grant a substantially larger measure of preference to Empire goods or the conference will of necessity have to fall back on its secondary line of rapprochement, namely bi-lateral agreements among the various individual members of the Empire. In either case and irrespective of the degree of success achieved, the conference will undoubtedly attempt to set up some type of secretariat or informal organization to carry on the work which the meeting initiates.

The other fundamental and closely related problem is that of Empire currency and there seems little doubt that a determined attempt will be made to find some solution to the inequalities of exchange as between various parts of the Empire which are a tremendous handicap to the exchange of Empire goods at the present time.

Constructive leadership toward freer trade within the Empire will give courage and confidence to many nations outside the Empire circle, and the anxiety of the Empire for the success of the conference is shared equally by the majority of the great trading nations of the world.

* * *

Ontario Carries Load of Seaway Pact

WITH dramatic flourish, representatives of Canada and the United States consummated this week negotiations for a St. Lawrence Deep Waterway, which have been gathering momentum for the past thirty years. The pact is far from being signed, sealed and delivered, for it has yet to run two parliamentary gauntlets, but it brings at last to a head a matter which has been nearing a conclusion now for over a decade, and gives Canadians a tangible proposition whose merits will be considered with the utmost care in the next six months.

There is little doubt but that the treaty signed on Canada's behalf this week by Hon. W. D. Herridge is an excellent bargain from the Canadian point of view. Canada has gained her point in almost every instance and if the treaty were to be approved by the United States Senate next December in its present form, those in this country who have supported this colossal project would have much cause for satisfaction. In part this is a tribute to those who negotiated the treaty on Canada's behalf, but on the other hand it is probable that the United States would have proved nothing like so amenable had its actions not been dictated by the political necessity of having to have a treaty ready to charm Middle West electors at the coming presidential election. In fact the treaty is so generous to Canada—particularly in the matter of a gift from the United States of $55,000,000 to spend as we like on Canadian engineers, labor and materials in the international section — that grave doubts are already being expressed as to whether it has much chance of passing the eagle eye of the U. S. Senate at the end of the year.

* * *

THE crux of the matter from Canadian eyes seems to be this: eventually we will need an improved outlet to the ocean in order to reap any substantial benefit from our $128,000,000 investment in the Welland canal; eventually Ontario and Quebec will need the waterpower that now lies dormant in the mighty St. Lawrence, but can we as a nation afford, in the face of an already staggering burden of debt, to assume any new obligation, no

(Continued on page 2, col. 1)

BANKS CHANGE DIVIDEND RATE CAPITAL STOCK

Bank of Montreal and Royal Bank Take Lead

MORE CUTS LIKELY

Conditions of Past Two Years Reflected in Lessened Earning Power of Banks

From Our Own Correspondent

MONTREAL.—Lower dividend schedules as announced by some of the Canadian chartered banks this week, represents one of the most important developments in the financial field for some time past. At the moment all of the chartered banks have not taken action in respect to their dividend rate, but it is to be presumed that, while each bank acts individually, some will follow the action of those who have already made the reduction.

Both financial and business conditions in Canada over the past two years have not been all that might be desired. In common with other lines of economic activity, banking has not been as prosperous as it is in the boom years. While the position of the banks today is one of soundness, yet there is no doubt that earning power has been limited through the lessening of demand for funds by business interests.

Demand is Lighter

According to bankers earning power is temporarily reduced mainly owing to lack of a market in which to loan available funds and this statement is borne out in the monthly bank returns which show a much heavier proportionate falling off in loans than in deposits as compared with more prosperous years.

At the same time change in conditions since 1929 has made it necessary for the banks to make various adjustments. While a considerable amount has been written as lost and more will have to be so treated, losses have not been sufficient to affect the position of the banking institutions, all of which have built up reserves for just such occasions.

Cut $2 a Share

Both the Royal Bank of Canada and the Bank of Montreal announced on the same day a reduction in the quarterly dividend rate from $3 to $2 a share, or from $12 to $10 a share on an annual basis.

Records show that the Royal Bank has paid a dividend on its capital stock of 12 per cent per annum since 1911, while between 1919 and 1930 a bonus of 2 per cent was distributed. In 1910 the dividend rate was 11 per cent. The last time the bank paid a dividend of 10 per cent was in 1907 to 1909. Prior to that time disbursements had ranged from 6 to 9 per cent.

The dividend schedule of the Bank of Montreal has varied with business conditions, though it has never failed to pay a dividend since 1818. Since 1883 the bank has paid 10 per cent or more on its capital stock. Between 1920 and 1930 the Bank of Montreal paid 12 per cent plus a bonus of 2 per cent on its capital stock. The bonus was dropped in 1931.

No Change Expected

It is understood that no change is contemplated by the Banque Canadienne Nationale, which has been paying on a ten per cent basis to which the others have been reduced.

The City and Districts Savings Bank, though not a chartered bank is one of the larger institutions in the Montreal area, and is not considering any change in its rate at present. This bank pays an annual rate of 12 per cent, while two half yearly bonuses of one per cent each are usually paid.

Commerce and Toronto Due

Only two of the five banks which have their head offices in Toronto are due to consider their dividend action at the present time. Canadian Bank of Commerce directors meet every Friday and will likely consider dividend action on July 22. No announcement has been made regarding the probable outcome of this meeting.

Bank of Toronto is the other Toronto bank which takes action regarding its dividend at this time but the actual date of the directors' meeting has not been announced. However, action can be expected this week or next.

About the middle of next month announcement of the Bank of Nova Scotia and Imperial Bank dividends should be made and about the mid-

(Continued on page 2, col. 4)

Far-Reaching Success Seen for Ottawa Meet

From Our Own Correspondent

OTTAWA.—On the eve of the Economic Conference delegates, newspapermen, distinguished visitors and observers have all been caught up in a wave of optimism which seems to have swept the capital from her feet.

Everyone is prophesying success, complete success, and it is confidently asserted that before the conference is a week old there will emerge the certainty of a general agreement in principle if not in detail.

This wave of optimism began to rise the moment the British delegates arrived here, and reached new levels with the announcement at Montreal that the British and Canadian iron and steel manufacturers had come to an agreement as to the division of the Canadian market.

The lines of this agreement, while not officially announced, are said to be that Britain is to be given the complete Canadian market in articles not manufactured in Canada, while Canadian manufacturers are to be given the market in the lines they are equipped to serve. The middle ground where part of the market is served by Canadian industries, is to be divided in such a way as not to curtail Canadian production.

Whether the main conference will follow the principle laid down by the iron and steel men remains to be seen. But on every hand are evidences of a spirit of compromise, of a disposition to give as well as to take. Success for the conference is believed to be assured but whether this success will fulfill all the hopes of the Empire remains to be seen.

OTTAWA WAITS ACTION IN U.S. ON SEA PACT

Thinks Canada Getting Fine Bargain But Doubts Outcome

U. S. SENATE IS BAR

Concessions Made to Canada For Political Reasons May Be Approved By Washington

From Our Own Correspondent

OTTAWA.—While official circles at the Capital, irrespective of party, regard the St. Lawrence Waterways agreement as the best financial bargain which Canada could hope to achieve, there is a marked tendency not to regard the Waterways proposition as signed, sealed and delivered.

The newly-born treaty looks to Ottawa rather more like a political than a business document, and it will not be taken seriously until the United States Senate has given ratification.

Senate Action Doubted

Five months must elapse before the United States government can submit the treaty to the Senate for ratification. In the meantime there will be a presidential election and, perhaps, a change of government. In the event of the Republican party being defeated, it is presumed the treaty will automatically perish. In the event of Hoover retaining the presidency he probably will submit the treaty in December, but whether or not the Senate will agree to it is regarded here as most uncertain.

That the Canadian government is well aware of the difficulties that must still be surmounted at Washington, is clearly indicated by the treaty provision that the document will not be submitted to Parliament for ratification until after the Senate at Washington has given approval. Mr. Bennett made this point quite clear to the press in announcing the treaty. He said that if the United States Senate does not ratify the agreement, then there will be no treaty.

Is Splendid Bargain

As to the financial set-up, both between the contracting countries and between the Dominion and Ontario, there is general approval here. The Bennett government, it is agreed, has made a splendid bargain on both counts. Furthermore, in obtaining international control of the Chicago diversion and in assuring the natural levels of the lakes in perpetuity, the Bennett government unquestionably has scored a diplomatic success. But these victories, also, are tied up with the treaty, stand or fall as the treaty stands or falls.

What Ottawa fears is that the widespread opposition to the St. Lawrence Waterways in the Republic, coupled with the antagonism which the financial provisions are bound to evoke, will produce a majority in the Senate opposed to ratification.

May Block Canadian Labor

It is believed that the proponents of the agreement will have difficulty persuading the Senate to agree to spend roughly $120,000,000 of United States money in Canada on Canadian labor and for Canadian materials, at a time when there are millions of unemployed in need of jobs. If the United States

(Continued on page 3, col. 2)

TREATY MEANS $200,000,000 IF RATIFIED

Estimated Cost of Seaway For Canada Totals $145,000,000

ONTARIO PAYS MOST

Pact Awaits Ratification By Two Governments; Would Take Ten Years to Build

A 27-foot waterway from the Great Lakes to the Atlantic Ocean via the St. Lawrence River at an estimated additional cost of between $400,000,000 and $500,000,000 is envisioned by the Seaway Pact signed in Ottawa last week.

This project in addition to the completion of a 27-foot channel from the Great Lakes to the sea, involves construction of seven immense locks, 30 feet deep and 850 feet long between Montreal and Kingston. Five of these would be in Canada and two in the United States. It includes two huge power dams in the 115-mile stretch of the river between Prescott and Cornwall (known as the international rapids section) which would generate approximately 2,000,000 horsepower, half of which would be available to each country. An additional 3,000,000 horsepower (not allowed for in the estimates) would be available in the purely Canadian section of the river between Cornwall and Montreal. This power is being left for subsequent development by Quebec Province in whatever way it sees fit.

$200,000,000 For Canada

Of the total expenditure called for under the treaty, approximately $200,000,000 would be spent in Canada in the period 1933-43 if the treaty is ratified first by the United States Senate and subsequently by the Canadian Parliament.

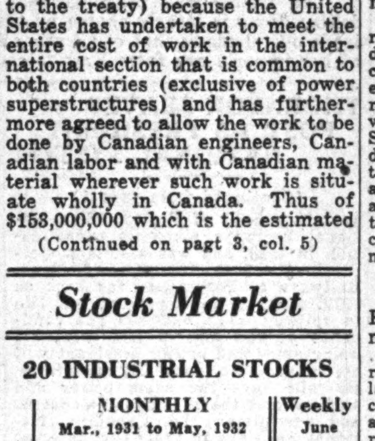
This figure is exclusive of whatever sums Quebec may spend in that period to develop power in the national section of the river, but includes $104,000,000 which Ontario will have to spend to develop 1,000,000 horsepower in the international section of the waterway.

Of the $200,000,000, the Dominion of Canada will be called upon to pay approximately $40,000,000 out of its own pocket; Ontario will be asked to contribute $105,000,000 as the cost of its power development, and $55,000,000 will be paid by the United States. This money will be paid directly to Canada (according to the treaty) because the United States has undertaken to meet the entire cost of work in the international section that is common to both countries (exclusive of power superstructures) and has furthermore agreed to allow the work to be done by Canadian engineers, Canadian labor and with Canadian material wherever such work is situate wholly in Canada. Thus of $153,000,000 which is the estimated

(Continued on pagt 3, col. 5)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of July 19	25.5	23.5
Week of July 12	24.6	20.6
Month of July, 1931	45.8	40.8
8 Bank Stocks		
Week of July 19	167	158
Week of July 12	161	151
Month of July, 1931	231	225
10 Public Utilities		
Week of July 19	42	40
Week of July 12	40	37
Month of July, 1931	72	67

Montreal Power Gains Control of Island Power

From Our Own Correspondent

MONTREAL. — Comprehensive changes in the directorate of Montreal Island Power indicate that the company is now controlled solely by Montreal Light, Heat, and Power Cons. Formerly control rested jointly with that company and Power Corp. of Canada.

The new board is as follows: Sir Herbert Holt, John S. Norris, George Caverhill, S. Godin, Jr., G. H. Montgomery, K.C., Julian C. Smith, Hon. J. M. Wilson. Officers comprise John S. Norris, president; C. S. Bagg, vice-president; G. R. Whatley, secretary; C. C. Parkes, assistant secretary; P. C. Drake, treasurer; A. N. Sainte-Marie, assistant treasurer.

The old board was as follows: J. S. Norris, G. H. Montgomery, H. Milliken, H. B. Pope, P. T. Davies, J. S. H. Wurtele, H. E. Walker,

It will be remembered that in April last shareholders of Montreal Island Power Co. received an offer from Nesbitt Thomson & Co. to exchange their stock for that of Montreal Power on the basis of three for one share of Montreal Power. Fractional shares were adjusted at $36 a share; the offer expired June 30, 1932.

NAT. GROCERS HOLDS PROFIT AT 1931 LEVEL

Over 70 p.c. of Noteholders Accept Maturity Extension

SHARE EARNINGS UP

Annual Report Will Show Cash Slightly Higher—No Bank Loans—Fire Loss Small

Over 70 per cent of holders of the $1,100,000 6½ per cent gold notes of National Grocers Co. have signified their intention of accepting an extension in the maturity date from August 15, 1932, to August 15, 1937. Officials of the company expect that substantially all of the notes will be deposited. In return for accepting the extended maturity note-holders will receive an immediate cash premium of 10 per cent. The call provisions are renewed so that if present plans materialize and the notes are redeemed before maturity security holders will receive more than par. Practically all of the notes are held in the United States, holdings in Canada being about 5 per cent of the total.

National Grocers Co. ended its fiscal year on June 30 with net profit at approximately the same level as in 1931 when $261,304 was shown after fixed charges. While dollar volume of sales was lower in the past year, the physical volume was higher and profit was maintained. During 1930-1931, the company paid out $26,734 in dividends on the first preferred stock which was all retired in that year. Since this item does not appear in the past year surplus for the year ended June 30, 1932, is expected to be $250,000 or over. This is equal to $8.46 per share on the 29,532 shares of $100 par value second preferred stock outstanding. No dividends will be paid on this preferred stock until all the 6½ per cent gold notes are retired.

Has No Bank Loans

Some improvement may be shown in working capital position with cash slightly better than the $81,300 shown on June 30, 1931. The annual report to be presented during August will show the company without bank loans and with inventories slightly reduced despite addition of a new warehouse at Cornwall, Ont. The company now has 31 wholesale jobbing branches and approximately 10,000 customers. Loss at the Niagara Falls warehouse by fire during the past week is understood to be fully covered by insurance and service is being maintained from the St. Catharines warehouse.

THORNTON LEAVES POST AS PRESIDENT NATIONAL SYSTEM

Hungerford is Appointed Acting Head of Government Railway

From Our Own Correspondent

MONTREAL.—Resignation of Sir Henry Thornton as president and appointment of S. J. Hungerford as acting president of the Canadian National Railways is announced by the directors and the government. This move was not unexpected as it has been anticipated for some time that Sir Henry would sever his connection with the National System.

Following is the letter of resignation forwarded by Sir Henry:

"In my opinion, a publicly owned railway can only be successfully directed if a man has the complete confidence of the owners of the property. The publicity to which I have referred (evidently there was a previous letter to the Government by Sir Henry) indicates that such confidence is, at least, not general, and in this period of financial depression, and in view of the further fact that a Royal Commission is investigating the whole railway system of this country, I feel that I should tender my resignation."

Sir Henry's Statement

In connection with this move, Sir Henry issued the following statement:

"I have had under consideration the railway situation which has arisen largely by reason of published criticism of the expenditures of the Canadian National Railways during my regime. I feel it is only fair to point out that all capital expenditures were only made after careful consideration by myself and the chief officers of the company, and represented our views of what was necessary for the welfare of the enterprise. These expenses were, of course, controllable by the Government. I, however, feel that the successful operation of this enterprise can only be carried on if the country as a whole is heartily behind the management, and in view of this and the possibility of the Government wishing to consider their policy I feel that, in order to give them a free hand, I should submit my resignation.

Manion Makes Comment

In making the announcement of Sir Henry's resignation, Hon. Dr. R. J. Manion, Minister of Railways and Canals had the following to say:

"Both the directors and the Government have accepted Sir Henry's resignation.

"Until a successor is appointed, we expect the vice-president in charge of operation and construction, S. J. Hungerford, to carry on as acting president.

"As Mr. Hunderford has been the

(Continued on page 2, col. 5)

New Acting Head of C. N. R.

S. J. HUNGERFORD

Appointed acting president of Canadian National Railways following Sir Henry Thornton's resignation. Mr. Hungerford has been operating head of the C. N. R. since 1923, his official title being vice-president in charge of construction and operation.

Water Power Industry Faces Serious Situation

Definite fears are being expressed by banking interests and others closely concerned with the position of the Canadian water power industry.

The almost hopeless muddle into which the newsprint industry worked itself has been decried again and again. It has been said that such a condition could not possibly develop in any other major industry. Such is far from being the case.

Today the water power industry stands in much the same position as did the newsprint industry at the beginning of 1928, when without any apparent consideration of the elementary laws of supply and demand, new machines were installed at a rate far in excess of actual market needs. What was once Canada's most prosperous industry has degenerated to a point where it is virtually bankrupt.

Several months ago The Financial Post gave a lengthy review to the current position of the water power industry and at that time pointed out the presence of over-expansion. Developments since that time have more than confirmed the opinion then held—an opinion now widely accepted. The demand for hydro power has declined. In Ontario alone consumption has slipped off more than 25 per cent and this is in the largest power consuming province of the Dominion. It may be said that this condition is one of a temporary character. Granted; but new installations under way or in contemplation of construction over the next few years are at a rate far greater than the average increase in consumption over the last ten years.

The situation becomes even more serious with the announcement of the plans for the St. Lawrence Waterway development, which will create an additional possible supply of 4,000,000 h.p. between Prescott and Montreal. If the St. Lawrence waterway depends for its success upon the utilization of water power developed thereon, it is to be seriously questioned if the project will be able to carry itself for many years to come.

Rapid Expansion in Recent Years

To appreciate the seriousness of the present situation it is necessary to examine the growth of the water power industry. In 1900 Canada had an installed water power capacity of 173,323 h.p. Over the next decade growth was steady, but unspectacular. In 1910 the first big increase in capacity took place, when installations increased from 977,171 to 1,363,134 h.p. Gains were of more moderate proportions from then on and in 1920 capacity amounted to 2,515,559 h.p. In the next three years about 600,000 h.p. was added, or an average of 200,000 h.p. per year.

About this time began the extraordinary development of the newsprint industry. This development was largely confined to Ontario and Quebec, but New Brunswick, Nova Scotia, Manitoba and British Columbia shared. While the newsprint industry was growing, general manufactures were also expanding and adding to the demand for power. Then there was the establishment of the big aluminum industry at Arvida, requiring some 100,000 h.p. of electrical energy and the expansion of Northern Ontario, British Columbia, Manitoba and Quebec mines, requiring another 100,000 h.p.

Reasons for Large Installations

Between the newsprint industry, the mines and the aluminum industry, there was an increase of nearly 1,000,000 h.p. in demand during this seven-year period. At the same time new installations in the power industry added 2,933,110 h.p. to capacity. The balance of the energy was absorbed through the widening territory served by the distribution companies; greater industrial activity, widening use of electrical appliances such as radio, refrigerators, washing machines, irons, toasters, etc.

The newsprint industry ceased to expand before the end of 1930, but still the development of water power resources continued. During 1930 new installations placed in operation reached a total of 397,850 h.p., while over 3,000,000 h.p. was under construction or in active prospect. Last year installations totalled 541,325 h.p., a figure that has only twice been exceeded, bringing the total capacity up to 6,666,337 h.p.

Plans scheduled for completion this year will add another half million horsepower to capacity and, on top of that, other installations will come into being over the next two years.

Creating Market Is Serious Problem

This new power has been, in the main, sold on long term contracts, but where will a market be found for it? That is the very serious problem now confronting the industry. It is not a major problem for the producer, but it is for the distributor, and what affects one will

(Continued on page 3, col. 3)

Foreign Power May Pass Preferred Stock Dividend

From Our Own Correspondent

MONTREAL. — Consideration will be given this week to the preferred stock dividend by directors of Foreign Power Securities Corp. It is the anticipation that the decision will be to defer dividends for the time being. At present $300,000 is required annually to pay dividends on the $5,000,000 of cumulative preferred stock outstanding.

The last financial statement for the 12 months ending Oct. 31, 1931, showed that the company had available out of earnings some $270,115 to meet dividends of $300,000. Payment of this charge resulted in a deficit of $29,885. Though no statement has been issued during the current year on the trend of earnings, it is presumed that they have been lower than those reported in the preceding year. Neither has a statement been issued on the depreciation of the company's security holdings, which showed a market depreciation of around $2,700,000 from a book value of $11,436,346.

Foreign Power Securities came into being early in March, having been organized for the purpose of mainly holding securities in French public utilities. It is principally interested in L'Energie Industrielle, but also has an extensive stake in several other important French concerns. At the end of January, 1930, income was sufficient to permit the payment of a dividend of $1 a share on the common stock. Since that time no further disbursements have been made.

SIMPSONS SALE AMALGAMATION BRANDED FALSE

Authoritative Denial of All Current Stories of Impending Changes

SOME TALES ABSURD

Others Interesting But Untrue; Sir Joseph Flavelle Has Not Bought Back Old Interest

The Financial Post is given the most authoritative denial possible of the whole flock of rumors now current in street gossip with regard to Simpson's, Ltd., or its chief subsidiary, The Robert Simpson Co., Ltd. The informant of The Financial Post, a man who would participate from the start in any negotiations leading to change, states that there is no truth in any report that Simpson's, Ltd., is dealing or has had dealings direct or indirect with any interest, individual or company, looking to a change in management, control or policy and that this denial refers to every story regarding reputed attempts to buy or sell the company or any of its assets. There have been no moves toward mergers or amalgamations of any kind.

Not Sir Joseph

The most ridiculous rumors and reports have been afloat, including some stories so circumstantial that they have won a certain amount of credence with people usually well-informed. One of the stories is that Sir Joseph Flavelle has once more acquired control of Simpson's and is every day at work on the affairs of the company. The fact that he has been in England is somehow overlooked in this story but the story itself is understood to have arisen because Sir Joseph Flavelle, previous to his trip to England, had lunch one day with C. L. Burton, president and general manager of the company, and David H. Gibson, vice-president, in the Arcadian Court of The Robert Simpson Co. building. As this fine restaurant is much patronized by young brokers and financiers, their musings on the significance of the lunch for three led eventually to the stories now current and which are denied.

Not T. Eaton Co.

Other diviners believe that The T. Eaton Co. has approached Simpson's or been approached with the idea of merging the two largest mercantile establishments in Canada, thus forming one organization of such size that it would be one of the commercial wonders of the world. That, too, is denied.

Also The Financial Post was informed that Selfridge's, the great London departmental store company, had purchased Simpson's, the deal being finished on July 16, a date when the company's chief officers were out of the city. Denied.

Another most circumstantial story, which won many adherents because of its romantic character, had it that the Hudson's Bay Co., which has been in business in Canada and England since 1670, has been trying to buy out Simpson's Ltd., with the object of getting important store representation all over Canada. Others spoke not of a purchase but of a merger between the two companies, realizing that the Hudson's Bay Co. is not paying dividends and has had serious losses in the last few years in Western Canada.

As Hudson's Bay Company's stated policy now is to have control of Canadian operations in Canada and there have been definite proposals in the past to form a separate company for the Hudson's Bay Co. stores and to invite the Canadian public to subscribe for shares, the street is somewhat susceptible to stories such as this one of merger with Simpson's. It has been urged in defense of the last story that Hudson's Bay Co. at one stroke could thus solve its problem of getting real Canadian direction. It is suggested that a natural result of such a merger would be for

(Continued on page 2, col. 5)

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Amal. Electric . 5
Amer. Paper Box 8
A. T. & T. . . . 4
Bell Telephone 8, 9
Can. Bronze . . 5
Can. Cement . . 3
Can. Dry Ale . . 5
Can. No. Pwr. 4, 9
Can. Packers . . 4
Cand. Dredge . . 3
Cand. Fin. Fdrs. 9
Cand. W. N. Gas 14
Dairy Corp . . . 9
Div. S. Secs. . . 5
Dom. Bridge . . 5
Dom. Scottish . 8
Donnacona . . . 5
Ford 5
Foreign Pr. Sec. 1
Ft. Francis Pulp 9
Gatineau Pwr. . 9
General Steel . . 9
Grand Trunk . . 4
Imperial Oil . . 13
Intl. Hydro . . . 5
Metro. Corp. . . 9
Midland Prop. . 9
Mtl. Exhibition . 5
Mtl. Island Pr. . 4
Mtl. Power . 1, 4, 9
Mutual Assoc. . 9
Natl. Brick . . . 10
Natl. Grocers . . 1
N. B. Power . . 8
No'west Power . 3
Pacific Mills . . 10
Quebec Power . 4
Regent Knit. . . 5
Roby's Prod. . 9, 10
Shawinigan . . 4
Silverwoods . . . 9
Simpson's 1
So. Can. Power . 4
Wentworth Radio 4

MINES AND OILS

Can. Night Hawk 14
Canam Metals . 8
Comm. Pete. . . 14
Dome 14
East Geduld . . . 14
Granada 14
Hollinger 14
Howey 14
Intl. Pete. . . . 14
Kitchener Kirk. . 14
McDougall Segur 14
McIntyre 14
Musulira 14
Rhodesian Select. 14
Teck-Hughes . . 14
Vipond 14

QUOTATIONS

Bonds 12
Grain 12
Mines 13
Stocks 12
Foreign exchange 13

REGULAR DEPARTMENTS

Answers to Enquiries 9
Business 7
Banking 11
Editorial 6
Insurance 11
Mining 14
Utilities & Transportation 4

The Nation's Business

(Continued from Page One)

matter how attractive, at the present time?

Contrary to previous expectations the official documents released this week reveal that it is Ontario and not the federal government upon whose shoulders will fall largely the financial burden of the St. Lawrence development.

The net cost to Canada, we are told is only $40,000,000. To say this, however is somewhat misleading. The total cost to this country on the basis of the official estimates is $145,000,000 of which Ontario must assume two-thirds. She must invest at least $105,000,000 and receive in return 1,000,000 horsepower of which 300,000 horsepower will be deliverable about five years from the time the project starts and the remainder, ten years from that time. Costs are based on 1926 figures and the fact that construction prices are lower by some 23 per cent will in part offset the fact that no major project of this magnitude has been completed in modern times at much under twice the original estimates.

• • •

ONTARIO then seems to be assuming the chief financial load. Can she undertake it, and if she does will she be able to find a market for the power when the project is completed? This is the crux of the St. Lawrence project as far as Canada is concerned and on the basis of the treaty and the figures presented to the public this week. Premier Henry has apparently undertaken already to answer the question in the affirmative, but taxpayers will want a fuller answer than has yet been given to a proposition which would double at the stroke of a pen the generating capacity of the provincial hydro system which has been built up to its present position over a period of more than two decades.

We have become so accustomed to speaking in large terms in regard to our water power resources that the possibilities of a situation such as has overtaken the Canadian pulp and paper industry in recent years is not appreciated by most people. Yet when the sum total of all the developments now under way in Ontario and Quebec are taken into account such a possibility looms as a very real menace to the economic future of the country.

• • •

Thornton Resignation Not Unexpected

RESIGNATION of Sir Henry Thornton this week caused little surprise to those who had been following the Canadian National situation in recent months. As early as April of this year The Financial Post forecast that his resignation or retirement was only a matter of time. Recently, however, Sir Henry has been so zealous in instituting economies in the National system that some talk has arisen that this might save the far-famed president his job. Sir Henry states, however, in his resignation that he cannot manage the property successfully without the complete confidence of the "owners of the property," which in this case are the people of Canada.

In the ten years since he has held this very vital appointment, Sir Henry has without doubt accomplished with a considerable degree of success the task of rebuilding a disorganized and poorly related group of railway failures. For this he deserves and has received due credit. Another and equally important task was to make these properties financially profitable, and it is on this latter score that widespread criticism has arisen which has led to his resignation. His successor, thanks largely to Sir Henry, will take over a well-knit, loyal organization, and with the forthcoming Railway Commission report as a new basis of operation the task of turning this white elephant into a profitable institution and stopping the drain on the public treasury that has been increasing in the past decade, will need to be the keynote of C. N. R. policy.

To Buy or Not to Buy Abitibi Canyon Project

SMALL bondholders of Ontario Power Service Corporation, which owns the Abitibi canyon project now halted in mid-air, are somewhat bewildered by the dropping of construction work, by the delay of the Provincial Government in making known its decision with regard to the taking over of the project, and by the intimations that they may have to sacrifice principal and interest in order that the Province will not be saddled with too great annual loss.

Early in 1930 most holders bought these bonds entirely because of the contract with Ontario Hydro Electric Commission which assured sufficient revenue to pay interest if completed by October 1, 1932. They had the idea that they had the nearest thing to owning a Government guaranteed bond that it was possible to get without having a direct guarantee. It was obvious that without that contract Abitibi Power & Paper Co. would never have launched the venture at all. The Government's power commission contract gave an air of solidity to plans still on paper, and the task of financing the final stages of the project daunted no one. It was thought safe to leave that financing to the end, but utter demoralization of security markets was not foreseen.

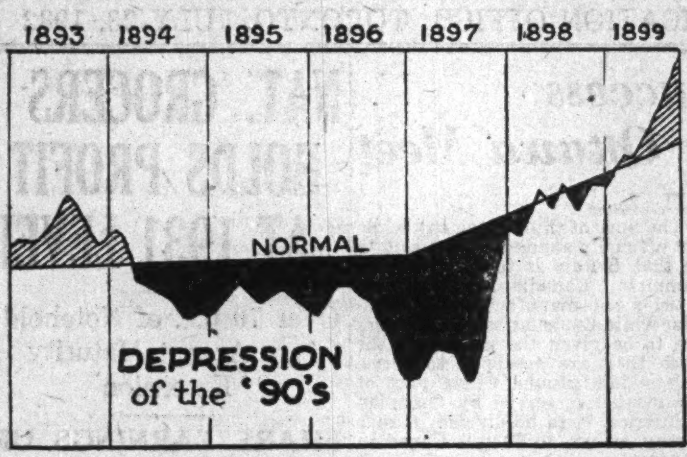
• • •

THE FINANCIAL POST is not disposed to criticize the Government for a plan whose details are not yet announced. Ontario's Premier does not consider apparently that the Province has a responsibility toward the bondholders; such brief remarks as he is reported to have made indicate a desire to save the Power commission from being called on to live up to what has turned out to be, temporarily at least, a bad bargain. If early last spring he had said that the Province would not finance completion, that would have made it apparent to bond holders that private capital would have to be secured. The Government has, however, appeared complaisant almost up to July 1 when interest was dropped. Even now it is "considering;" but for the benefit of all concerned a more definite announcement should be made.

The Government may stand between two fires: if it leaves the whole project to the bondholders to find means of completing it, it will be blamed by Government ownership advocates for losing a valuable power project to the province; and if it takes the project over itself, it will be criticized by others for "loading up" the province with a power scheme uncompleted and unneeded. Decided action one way or the other, however, is apparently called for.

It is obvious that the project should be finished. It would be no credit to anyone concerned if the project were kept as it is within sight of the end. Apparently the Premier is being competently advised at present, and any attempt at solution should receive careful consideration before condemnation. To please everybody is obviously impossible, and the plan may prove a compromise between conflicting viewpoints intended to give fair play to all interests concerned.

Canada Comes Through - - 1893



The depression that followed the panic of 1893 was the turning point in Canada's economic history. It was followed by such a remarkable upswing in prosperity that it was necessary for The Financial Post, in making up its 1867-1931 chart of Canadian business to definitely alter the basic line of normal growth of the country. The crisis and how Canada came through are both revealed on this chart.

THE panic of 1893 is still remembered by the older generation of business men and investors. In Canada, it was the starting point of a severe re-action in land values, security prices and trade generally. Not until 1897 when the turn in the 23-year old downswing in prices was noted, did business really veer toward improvement.

Just where and how the trouble started in 1893 is a matter of opinion. It may have received its push-off in Australia. Australian land and mineral developments gave that country tremendous prosperity through the seventies, and eighties, when Canada was not booming. But there came drought in 1891; strikes in the silver mines in 1892; land boom collapse and financial stringency in the same year; and a banking panic in 1893.

Britain had invested heavily in Australia. The mining, land and banking troubles there were reflected at home. The Baring failure in 1890 had upset Britain's foreign investment equilibrium. Deepening depression settled down over the Isles. Money was volatile, first easy, then tight, then easy again. The effect on agriculture was called a national calamity. A long coal strike; gradually declining commodity prices; widespread unemployment; an all-around reduction in wages; weak stock markets took the heart out of Gladstone in his declining days.

For the first time, Britain was finding itself up against the stiff international competition of other nations and other Colonial Empires that were learning her secrets of efficient industrial production. The depression of '93 finally proved that England was no longer the monopolist of the world's commerce. Thus, '93 started men's minds, in Britain, thinking along lines of protection.

In the United States the panic of 1893 was not unlike the panic of 1929. It reflected world-wide financial distress, it came after a great period of stock market speculation; it was marked by currency troubles.

There was nervousness over the continued loss of gold and the effect of large silver purchases by the treasury long before the panic came. Confidence was the keynote of the opening months of 1893, even as of the opening months of 1929. But first a couple of railway receiverships and then revelation that the treasury gold supply was at a minimum caused nervousness. The great speculative favorite of the stock market was National Cordage Co. On May 3, it failed. Panic was on. Stocks broke as much as 50 points. The first panic ran its course in a few days but there was a worse one to come in July when money went to 74 per cent; when security values wilted. The panic was finally over in the fall when Congress voted for sound money. But in nine months, 11,000 firms failed for $325,000,000. Over 600 banks suspended and only 200 of these were ever to resume payment. Wheat fell to 50 cents on the farm. Coxey's army marched on Washington. The anarchists rioted in the Haymarket of Chicago and in 1896 saw another brief panic when call money went to 100 per cent. Deep business depression continued until just before the turn of the century.

In Canada, there had been fairly active times in the earlier nineties and immigration reached a large figure. Export trade jumped sharply to a new high level. The country was getting the benefit of the opening of the West for grain growing. On the ninth of November, 1892, Canadian wheat, known as "Manitoba's," was quoted for the first time on the Liverpool market. Out in British Columbia, prospectors from Montana and Idaho had overflowed into the boundary country, uncovering the rich silver-lead ores of the Kootenay and the gold copper ores of the Rossland, and giving Canada its first great mining boom. The centre of the real estate was Toronto where values rose rapidly and the city exchanged its horse cars for the new electric trolleys, soon to be followed by Montreal.

Canada felt the impact of the depression abroad. Land values declined rapidly in Toronto. Wheat and other agricultural products sold down in price. The mining boom suffered severe reaction. The Bank of British Columbia faced such severe losses that it closed its American branches and then sought and obtained a merger with the Commerce. There were numerous failures; virtual stagnation in industry; rather tight money conditions for a while, followed by the usual post-panic easiness of credit.

Recovery did not come quickly. The scars of the panic took years to heal in all the major countries. Canada had to absorb its losses, particularly those of the banks. Each year revealed accumulated losses that had to be written down. Just when recovery seemed to have set in, financial equilibrium was badly upset by President Cleveland's bellicose message to Great Britain about Venezuela. The Conservative Government lost out in a depression vote and Sir Wilfrid Laurier came in.

Yet the depression of the nineties was merely the herald of greater things than Canada had ever known. The Klondyke gold rush of 1898 marked the entry of Canada into the circle of the great gold producers; new railroad construction started anew in the late '90's; Canadian industry began its long advance that prepared it for the effort of the Great War; immigrants began to pour in. The general manager of one of the banks reported 1899 as the most prosperous year in the country's history.

The basic cause of recovery was the upward turn in prices. The price index touched its low in Canada in 1897. The turn came earlier in other countries but grain prices were low and dominated the Canadian index. Prices advanced steadily, increasing by 37 per cent at the end of ten years, and 50 per cent by 1913. It was this steady progress of price level that made the world comparatively prosperous from 1896 to the Great War; that brought about intensive development in Canada; but that likewise led to great public concern (not to mention numerous newspaper editorials and political speeches) about the high cost of living.

From 1873 to 1897 the full force of the great decline in prices was felt by Canada and there were three distinct and prolonged periods of business depression. Yet there was steady national development through the whole period.

Canada came through the difficult nineties to enter upon her own century.

RAPID PROGRESS MADE BY CROPS THROUGHOUT WEST

From Our Own Correspondent

WINNIPEG.—The Western crop has continued during the past week to make satisfactory progress, and continued rains over considerable areas have improved the outlook almost daily.

In Manitoba and in Southern Saskatchewan, wheat is maturing rapidly and a good deal of cutting may be in progress by the end of the month. Reports recently made by crop observers from the United States on conditions in Southern Saskatchewan were regarded as unfavorable, but they have served to correct some previous over-optimistic ideas as to possibilities of this year's production on the areas that had suffered from a three year's drought. Not all of the rain that fell during the growing season has been available for crop production, since some of it has been absorbed by the over dry sub-soil. But it still remains true that taken as a whole prospects are decidedly good, and that the promise of fairly satisfactory yields extends over a remarkably wide area.

Alberta Outlook Best

Alberta continues to rank ahead of the other provinces in crop outlook. There, as in North Saskatchewan, the crop is both better and on much longer straw than in Manitoba and in Southern Saskatchewan.

Each day that passes lessens the fear of serious rust damage, although rust infestation is sufficiently wide-spread in Manitoba to constitute a danger should there be any immediate change to rust developing weather. From widely scattered districts there have been reports of white, or unfilled heads among the grain. These appear to be due mainly to wheat stem maggots, and while their presence means the loss of a certain percentage of crop in fields affected, there is no threat at this date of further damage.

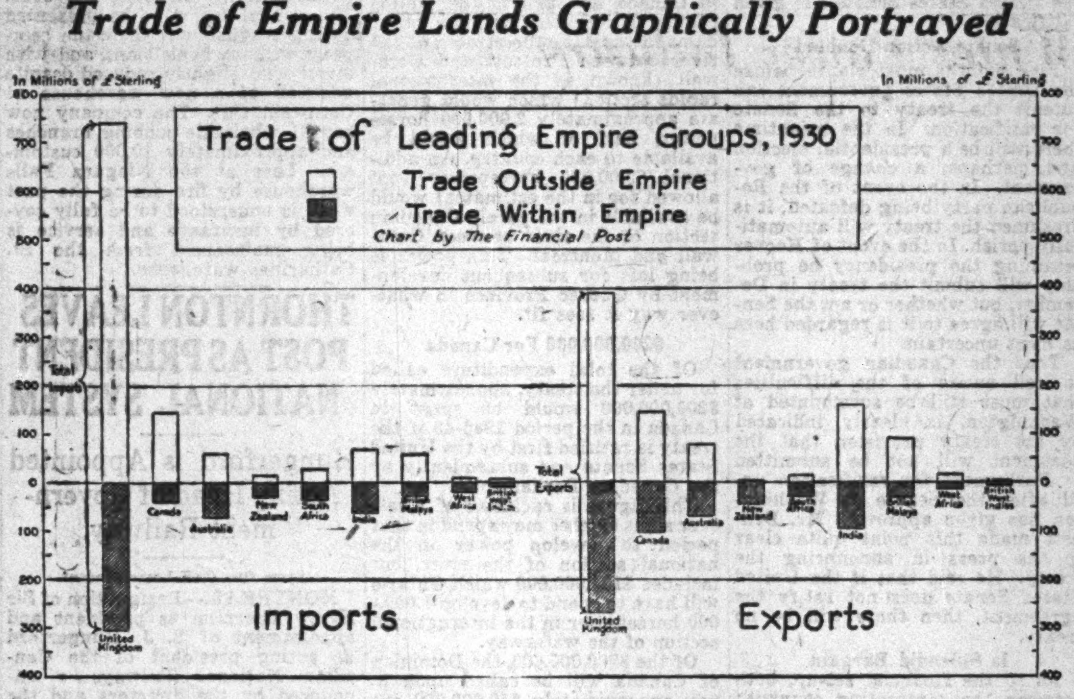
Wheat crops on the whole are better than those of coarse grains, as later sown crops ran into more difficulties than those which were seeded early.

Crop Estimates High

It is still difficult to make a reasonable estimate of total out turn of the wheat crop. The heaviest yields are likely to be in those areas where the crop is comparatively late, always provided that weather conditions for filling the heads remain satisfactory, and that frost does not occur at a critical moment. Should yields there be up to the possibilities of the present stand, the average per acre yield for the whole West would be well about the annual average of the past, but if adverse conditions are encountered, the yield for the whole West might not surpass the annual average.

Currently the market is discounting expectations of slightly less than 450 million bushels. It would be considered a bullish factor should it be established that the yield could not exceed 400 million bushels, while a confirmed opinion of the probability of 475 million would be bearish.

Trade of Empire Lands Graphically Portrayed



Here's a graphic picture of the stake which leading Empire units have in the $15,000,000,000 of trade done by them in 1930. Imports and exports outside the Empire are shown above the line and intra-Empire trade below the line. It is the big white areas above the line which the Conference at Ottawa will tackle and will attempt to divert into intra-Empire channels.

The tremendous preponderance of Great Britain's stake in the deliberations is clearly shown by the dominant way in which her total trade overshadows that of all other Empire countries. Only 29 per cent of her imports are from Empire countries.

BANKS CHANGE DIVIDEND RATE CAPITAL STOCK

(Continued from page 1)

dle of September, the Dominion Bank will consider its dividend action.

The dividend record of Canadian banks since the beginning of the century shows that only one bank has previously reduced its dividend record in that period. Dominion Bank, which was paying 12 per cent in 1900, reduced this to 10 per cent commencing the second quarter of the 1901 fiscal year. This rate was maintained until 1906 when the bank again resumed payment at 12 per cent.

Dividend records of the nine Canadian chartered banks having stock in the hands of the public are combined in the following table:

Dividends on Bank Stocks

	Mtl.	Royal	Prov.	C. Natl.
1900	10	7	*	7
1901-2	10	7	3	7
1903-5	10	8	3	7
1906	10	9	4½	7½
1907-9	10	10	5	8
1910	10	11	5	8
1911	10	12	5	8½
1912-14	10+2	12	6	9
1915-18	10+2	12	7	9
1919	12	12+2	8	10
1920-30	12+2	12+2	9	10
1931	12	12	9	10

*Bank incorporated in 1900.

	N.S.	Comm.	Imp.	Dom.	Toro.
1900	9	7	9+½	12	10
1901	9	7	10	10½	10
1902	9½	7	10	10	10
1903-5	10	7	10	10	10
1906	11½	8	10	12	10
1907-9	12	8	11	12	10
1910	12	9	11	12	10
1911	13	10	12	12	11
1912	14	10+1	12	12+2	11+1
1913-14 ...	14	10+2	12	12+2	11+1
1915-18 ...	14	10+2	12	12	11
1919	16	12	12	12+1	12
1920-26 ...	16	12+1	12+1	12+1	12
1927-30 ..	16	12+1	12+1	12+1	12+1
1931	16	12	12	12	12

THORNTON LEAVES POST AS PRESIDENT NATIONAL SYSTEM

(Continued from page 1)

operating head of the Canadian National Railways since its consolidation in 1923, and was assistant vice-president of the Canadian National Railways at Toronto as far back as 1919, and, as he has spent his life in railway work and has the confidence of the officers and men, his being appointed acting president will be, we are sure, generally acceptable. He will have the same power and authority as the president to operate and administer the Canadian National Railways in their best interest and in the interest of the people of Canada, without political or other interference of any kind, the Government in this taking the same attitude as that which we have taken since coming into power.

"Mr. Hungerford is one of the outstanding railway men of this continent, and we hope the rank and file of the Canadian National Railways will continue to show to him and the railway that same loyalty and cooperation which they have shown in the years during which they have been employed, knowing that in this way they can best serve the railway organization of which they are a part.

SIMPSONS SALE AMALGAMATION BRANDED FALSE

(Continued from page 1)

C. L. Burton to be given entire control of the Canadian end of the great organization, that is, of all but the fur trade and the land sales which would be handled from London. His record of success, his driving energy and exceptional knowledge of Canadian conditions from the mercantile viewpoint would be of inestimable advantage in case of such a hook-up, so say those who believe this story.

Tall Stories Grow Rapidly

Interesting story though it be, The Financial Post is also given an authoritative denial that such a merger has been even considered. Lock, stock and barrel this and all the other stories are stated to be untrue.

The times are favorable to the development of tall stories out of very small happenings. Since Simpsons passed its Class "A" and 6½ per cent preference dividends an extraordinary amount of attention has been centred on the company and stories are therefore exceptionally numerous.

Liquid Position Good

There is no secret about the state of Canadian business: every large mercantile establishment has had to write down its inventories repeatedly and continuously. The mild winter of 1931-32 led to lower sales than usual of warm goods and winter sporting goods. Simpson's had its share of the lower volume, of the inventory write-offs, but relatively to the whole industry it is reported to have more than held its own. Its liquid position is reported excellent, its current inventory position is better than for years, and net earnings—though lower because of small profit margins as a result of low prices—are believed to have been quite sufficient for bond interest and all write-offs.

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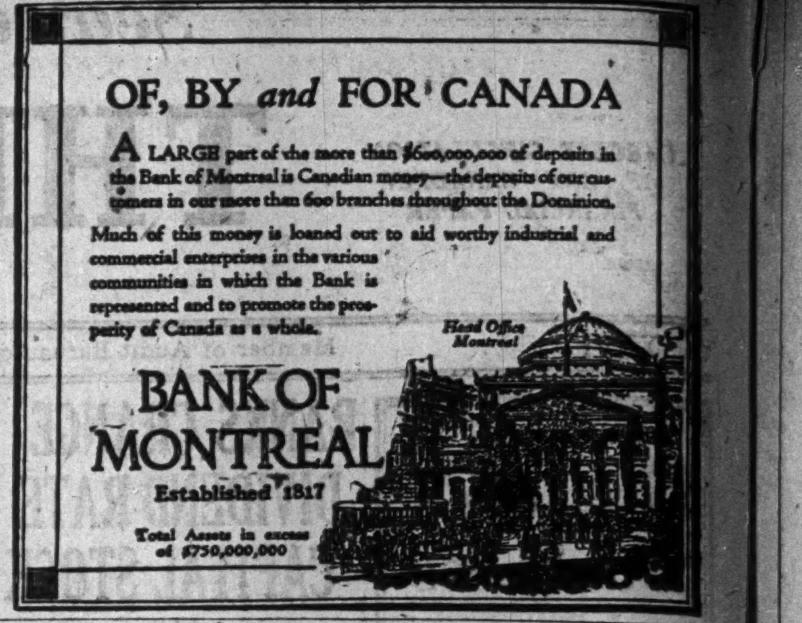

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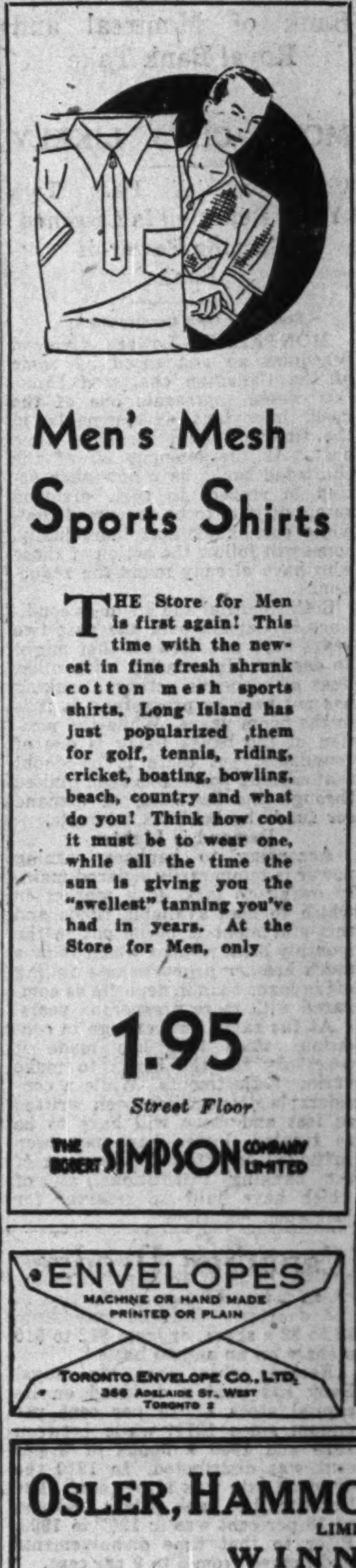

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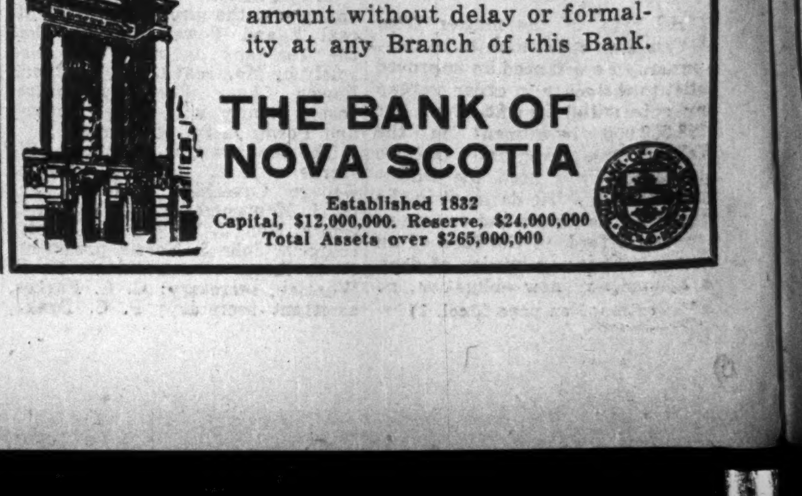

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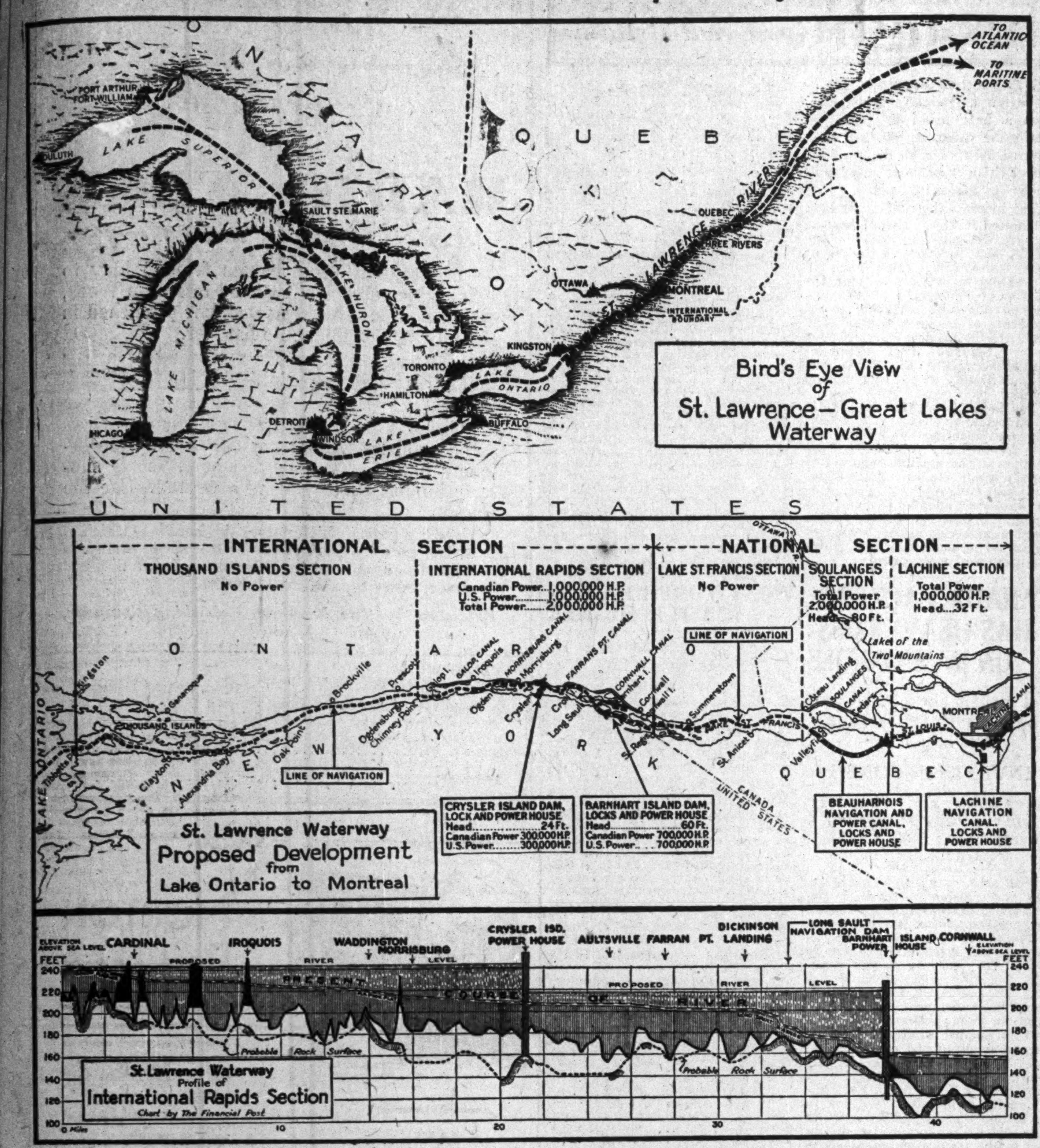
Total Assets over $265,000,000

Highlights of St. Lawrence Deep Seaway Pact



Top panel shows a bird's-eye view of the 2,300-mile waterway to link the heart of the American continent with the Atlantic Ocean by means of a 27-foot channel if the treaty signed at Washington this week is confirmed by the U. S. Senate and the Canadian Parliament. The relatively small size of the channel between Kingston and Montreal which still remains to be deepened is clearly shown.

Middle panel gives detailed plan for development of the Kingston-Montreal segment of the waterway which is specifically covered in the new treaty.

Bottom panel shows profile of the gigantic power project planned for international development between Prescott and Cornwall. It will be seen how the present level of the waterway will be raised at two points, Barnhart Island and Crysler Island. At the latter a head of 24 feet will be developed and 600,000 h.p. developed for distribution among both countries. At Barnhart Island the main power development will take place under a 60-foot head. The shore line shown as solid black indicates where present islands and property will have to be flooded.

TREATY MEANS $200,000,000 IF RATIFIED

(Continued from page 1)

cost to the United States of work in this section (exclusive of power superstructures) approximately one-third or $55,000,000 will be spent in Canada.

Costs Based on 1926 Figures

All these figures are estimated on the basis of costs prepared in 1926, and no allowance has been made for the drop in prices of construction materials which on the basis of Dominion Bureau of Statistics indices are approximately 23 per cent below 1926 levels at the present time. This margin should go some way at least toward offsetting the fact that no large canal project of modern times has been build anywhere near the estimates on which it was originally undertaken. The figures in each case cover capital costs without allowance for interest charges during construction. Canada is given credit for a $128,000,000 expenditure on the Welland canal and similar adjustments are made for dredging and other improvements made by each country in recent years.

Apart from the treaty itself, Ontario has made a separate agreement with the federal government of Canada to develop all the power in the international section of the river. In return for this, Ontario pays the entire cost of power superstructures and power machinery which is estimated to cost $37,000,000. In addition she compensates the federal government for proportionate cost of the combined power and navigation works. This latter item is estimated at $67,000,000 making Ontario's total share of the project about $104.000,000. Provision is made for paying this $67,000,000 to the federal government in two installments due $27,000,000 in Nov., 1938, and the remainder in Nov., 1941.

If the province cannot use the power on those dates provision is apparently made for this liability to the Dominion to be deferred.

For its expenditure Ontario gets 1,000,000 horsepower of which 300,000 h.p. will be available within approximately four or five years from the date the undertaking commences and will be produced at the Crysler Island dam. The remainder will be at the main Barnhart Island dam whenever the project is finally completed.

This then is the broad financial picture of the seaway pact which arrived with dramatic suddenness on the eve of the Imperial Conference. It now awaits ratification by parliamentary bodies in each country and although nothing is mentioned in the treaty, Prime Minister Bennett has stated that Canada will not submit the treaty to the Canadian Parliament until it has been ratfied by the United States Senate. The United States Senate does not meet again until December.

In broad outline the pact is merely an undertaking to "ensure the completion of the St. Lawrence Waterway project" and sets forth various stipulations for the construction of a deep waterway "not less than 27 feet in depth, for navigation from the interior of the Continent of North America through the Great Lakes and the St. Lawrence River to the sea."

Two basic considerations which underlie the treaty are:

(a) An undertaking by the Canadian Government to complete the Welland Ship canal and canals in the Canadian section of the St. Lawrence in Quebec (estimated cost $90,000,000).

(b) A similar undertaking by the United States Government to complete works in the Great Lakes system above Lake Erie essential for such a waterway (estimated cost $65,000,000).

Both governments undertake to have these projects completed simultaneously with the completion of the deep waterway in the international section of the river.

Main clauses of the pact provide as follows:

(a) That Canada undertake, pay for and maintain, necessary works in the international section of the waterway which are wholly Canadian. Estimated cost $17,394,000. This includes a side canal, with lock, opposite Crysler Island, east of Morrisburg, Ont..

(b) That United States undertake, pay for and maintain, works in the international section which are wholly American. Estimated cost, apart from rehabilitation, $26,729,000. This includes a side canal with locks opposite Barnhart Island about 4 miles northeast of Messena, N.Y.

(c) That a temporary international commission of 10 members be appointed to undertake and develop all other works in the international section (except superstructures of power works) and that the cost of such works (estimated at $152,600,000) be borne by the United States. Works under this category situated on the Canadian side are to be executed by Canadian engineers, Canadian labor and with Canadian materials as far as possible. It is estimated this will involve an expenditure in Canada of approximately $54,718,000.

(d) That a two-stage or two-dam power development be undertaken in the international section as follows:

(1) Upper dam at Crysler Island to develop under 24 foot head, 600,000 horsepower on continuous 100 per cent load of which 300,000 h.p. will be available to each country.

(2) Lower dam at Barnhart Island under 60-foot head, to develop approximately 1.400,000 h.p. of which 700,000 will be available to each country.

Construction of power house superstructures and power machinery will be arranged for by each country in its own territory and in each case there will be two power houses, one in each country. Estimated cost of Canadian power superstructure which will be borne entirely by Ontario is $36,931,000.

(e) Special provisions are made in the treaty to ensure the complete sovereignty for each country of all works situate in that country's boundary and irrespective of by whom they are constructed.

(f) Provision that at any time either of parties may construct wholly within its own territory, alternative canal and channel facilities for navigation purposes along the waterway. This allows for construction at any time if desired of an all-Canadian canal and for the first time puts Canada in an independent position to proceed with such a proposition if it desires.

(g) British shipping is given rights of navigation in the waterway.

(h) Abstraction of water through the Chicago Sanitary Canal is limited by the treaty to the limits set by the U. S. Supreme Court in 1930, namely an annual average of 1,500 cubic feet per second in addition to domestic pumpage of the city of Chicago. Such provision to take place by Dec. 31, 1938. Any further increase from this limit must be approved by the U. S. Supreme Court, the U. S. government and by Canada.

(i) No other diversion shall be permitted to any other watershed except by authority of the International Joint Commission.

(j) Each country is allowed exclusive rights to any waters diverted into the Great Lakes system from watersheds lying wholly within the borders of either country. This means that if desired, Canada can develop without any further treaty, some 520,000 horsepower by diverting waters from the Ogoki River into Lake Nipigon and thence into the Great Lakes for power on the Nipigon, St. Mary, Niagara and St. Lawrence Rivers.

(k) Provision is made for construction of compensation of works in Niagara and St. Clair Rivers whereby the Great Lakes levels will be restored and maintained at their natural range.

STOCKS RUN UP ON FIRST REPORTS OF SEAWAY PLANS

First Enthusiasm Drops as Difficulties Seen—Investment Confidence Grows

General strength of stocks, so noticeable a week ago, is not now backed by so much of the early enthusiasm, but brokers in Toronto and Montreal report, nevertheless, that the interest of investors in the general situation is maintained. A much larger number of clients than for some time have been studying the general situation with the object of determining in their own minds whether or not the time has come to buy for a long hold.

General world news has contributed to this tendency to look forward though business statistics have not given indications of any appreciable improvement. Investors, however, hope that the Lausanne gentlemen's agreement may be followed by constructive action in the United States in 1932 or 1933, that the Empire parley at Ottawa will mean some opening up of trade opportunities in the Empire and that the St. Lawrence seaway will get under way in time to give good orders to plants now idle or running on short time.

Hope Rises Somewhat

The first enthusiasm about the seaway project among investors has partly evaporated as shown by market sales of stocks like Canadian Dredge as the public becomes better informed as to the possibilities of considerable opposition when ratification by the U. S. Senate is sought. Stocks of companies like Canadian General Electric and English Electric have not been and will not be affected by the seaway project until it becomes evident that power construction has a chance of a start within a few years.

From Our Own Correspondent

MONTREAL.—Preferred shares of Canada Cement Co. have scored a wide advance following publication of news on the St. Lawrence waterways agreement. Selling at a low of around 20 for some time, the stock, has moved up some 15 points in very limited trading and is currently quoted around 35.

Common shares also showed a stronger tendency and have jumped from a low of 2 for this year to around 5½. The gain in both stocks is attributed to the possibility of a large demand for cement if, and when, construction work should start on the St. Lawrence development.

Doubt on Dividend

The low levels which Canada Cement preferred stock has been occupying has been caused by uneasiness regarding continuance of preferred dividends. In the fiscal year ended September 30, 1931, earnings were equal to $7.41 a share compared with the disbursement of $6.50.

Canadian Wheat Stocks decreased from 139,663,534 bu. to 137,921,648 bu. for the week ended July 8. This figure compares with 111,801,915 bu. in store and afloat in the same week of the previous year.

Canadian Dredge Will Participate In St. Lawrence

Common stock of Canadian Dredge & Dock Co. has shown appreciation of over six points since the announcement of agreement between the United States and Canada regarding the St. Lawrence Waterway development. As the largest Canadian dredging company on the Great Lakes, Canadian Dredge can be expected to get full participation in the dry and marine dredging work entailed in the development and it is understood that the company has been studying plans for some months and has retained an engineer to specialize on this work.

While dredging companies will be among the first to undertake work on the project, the actual amount of work involved and when it will start is as yet indefinite and Canadian Dredge officials are unwilling to make any statement at this time. Dredges of American register are not allowed to work in Canadian waters but due to the extent of the enterprise there is a possibility that dredging equipment on the Great Lakes may be pooled. In any event Canadian Dredge will play an important part since its equipment is both extensive and modern.

OTTAWA WAITS ACTION IN U. S. ON SEA PACT

(Continued from page 1)

had been allowed, in building virtually the entire International Section, to spend all of the money in the States and upon American labor, the chances of the treaty being concurred in would have been much better. Naturally, however, the Canadian government could never agree to this.

What Ottawa fears is that the Hoover government has entered into the treaty in order to be able to make the most of that fact in the November elections. Once the elections are past, the treaty may well perish in the Senate and the entire job will have to be done all over again.

Woodyatt Appointed Head N. W. Power Committee

From Our Own Correspondent

MONTREAL.—J. B. Woodyatt, president of Southern Canada Power Co. has been appointed chairman of the Protective Committee for bondholders of Northwestern Power Co. The committee also includes representatives of Spencer, Trask and Co., Nesbitt Thomson and Co., A. Iselin and Co., E. H. Rollins and Co., Kidder Peabody and Co., and others.

Semi-annual interest of the $10,000,000 first mortgage bonds of Northwestern Power Co. was not paid when due on July 2. A period of 90 days grace is allowed under the trust deed.

Build New Shingle Mill

A new shingle mill, costing more than a hundred thousand dollars, and employing between eighty and a hundred men, will be in operation near Stave Falls, B.C., by August.

Water Power Industry Faces Serious Situation

(Continued from Page One)

affect the other. In other words, the whole industry is confronted with the problem of marketing the new power placed on the market last year, installations to be ready in 1932 and others scheduled for completion over the next two or three years.

The major share of this new power supply is in Ontario and Quebec. Little or none of it is available for export to other provinces, while it cannot be exported to the United States. The electrical energy made available, therefore, must be marketed in Ontario and Quebec.

Plenty to Spare Just Now

Without taking into consideration further installations this year, it is roughly estimated that Ontario is not using two-thirds of the supply of electrical energy at present available. While Quebec is using a larger proportion, yet there is a substantial lag between supply and demand in that area.

By the end of this year, when new machines have been brought into production, Ontario and Quebec will have more power than they can use for several years.

Create Vast Supply of Energy

Despite this situation, the St. Lawrence Waterways plan calls for the development of several power sites between Prescott and Montreal. Development of this section will enable the installation of machinery capable of producing 4,000,000 h.p. for the Canadian market, i.e., Ontario and Quebec. This is roughly two thirds of the power installation in the whole of the Dominion at the end of 1931. At this time it is inconceivable that there will be a market for this power for many years to come. This additional power, if brought into use before 1940, will prove a burden which may bring the power industry into the same disrepute as the newsprint industry and the loss of tens of millions of dollars of capital.

Montreal Area is Good Example

To better illustrate the seriousness of the industry's position and what the new St. Lawrence development will mean if the project is carried out in its entirety, it is well to examine the power situation in the Montreal area. This section is now supplied by Montreal Light, Heat and Power Consold., which markets around 340,000 h.p. annually in an area having a population somewhat in excess of 1,000,000, or about one tenth of the total Dominion population. Montreal Power has its own plants, but is also a heavy buyer from Shawinigan Water and Power Co., Montreal Island Power Co., and (starting this October) Beauharnois Light, Heat and Power Co.

Montreal Power has sufficient power supplies at present to take care of its needs for some time. Beauharnois deliveries will be at the rate of 25,000 h.p. a year spread over a period of 7 years. The company has also contracted to take the full output of Montreal Island's Back River plant, which is only operating at partial capacity at the moment.

Extending the Montreal area to take in the Eastern Townships of Quebec, there is a present market for a little better than 400,000 h.p. The companies operating in this area have sufficient power under contract to take care of normal developments probably for the next ten years.

Under the St. Lawrence Waterways plan an eventual maximum development of 3,000,000 horsepower is envisioned in the Soulanges and Lachine sections. From this figure should be deducted the present Beauharnois development, Cedar Rapids plant and other small units, accounting for less than 1,000,000 h.p. so that the proposed development ultimately calls for a net increase of more than 2,000,000 h.p. of electrical energy. Although this development is not provided for in the St. Lawrence Waterway pact and is being left for private development at the discretion of the Quebec government, it is nevertheless significant that the amount involves almost four times as much power as is being used at present and is provided for under normal growth conditions over the next seven years.

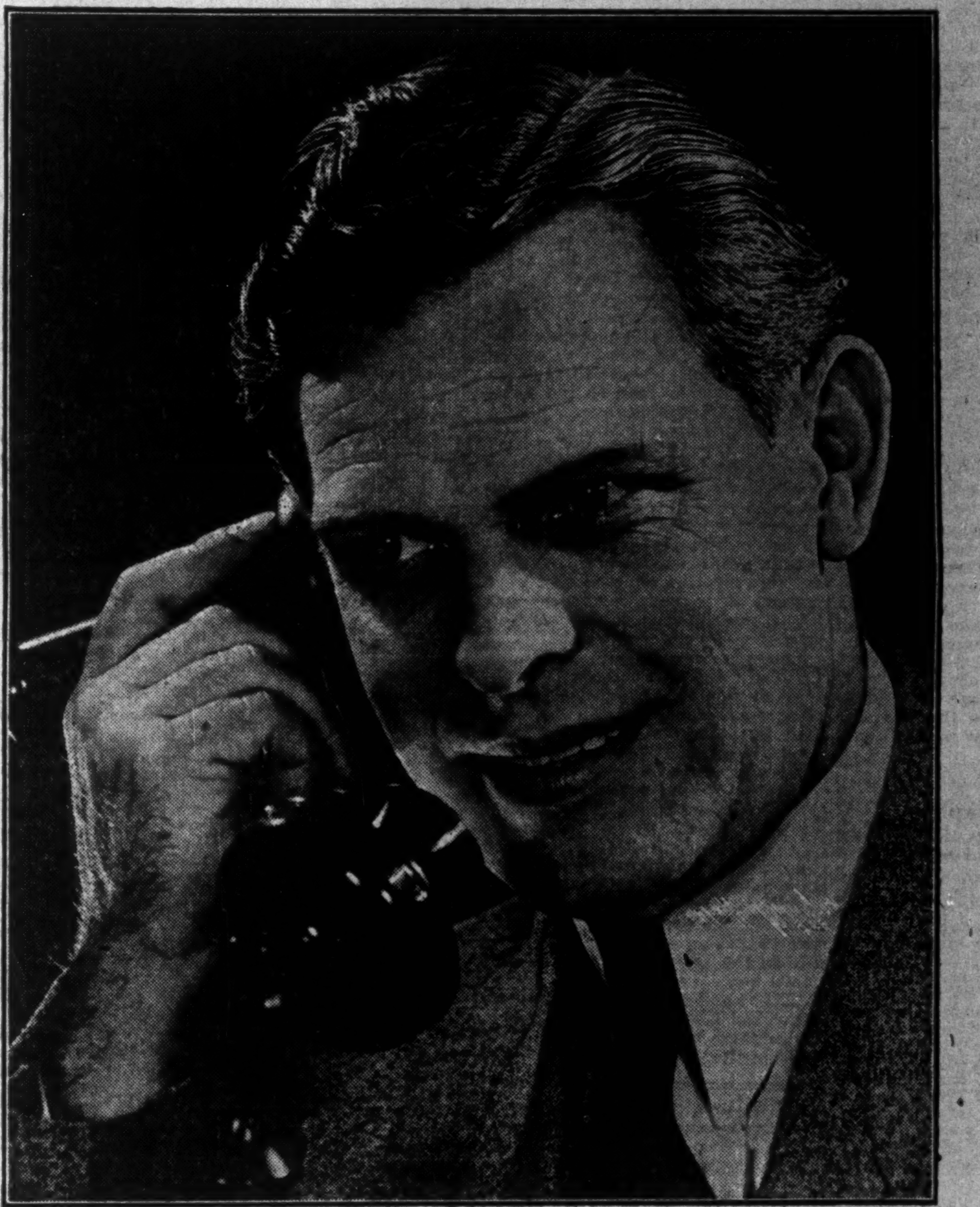
International Section Presents Problem

On the International Section—between Prescott and Cornwall—the situation is even more serious, for it is proposed to develop 1,000,000 h.p. for Canadian use to be available in two stages, namely 300,000 horsepower in five years and an additional 700,000 h.p. in ten years. The present power needs of this area are relatively unimportant. The power could be transmitted to Ottawa, Kingston, Toronto, or other large power-using centres, but those points are well supplied, while the Ontario Hydro Electric Power Commission has more power than it knows what to do with just now.

Though the Treaty is not specific, there is a possibility that the Canadian supply of power from the International Section might be exported to the United States. At the same time it is obvious that the United States' share of 1,000,000 h.p. will first have to be absorbed before there is any need of importing energy.

The St. Lawrence scheme is by no means an accomplished fact. Leaving it entirely outside of present considerations, the current situation in the water power industry is one which will bear careful watching by those concerned. Otherwise the industry may well repeat the history of the newsprint industry.

"THE CAR THAT OWNERS RECOMMEND"



"HOW DO YOU LIKE YOUR CAR?"

A FEW months ago, a certain star salesman in a southern city found himself confronted with an important personal problem .... For fifteen years he had been selling motor cars in the same city. During that period he had worked for only two organizations. He had been successful. But the time had come when he realized the need of a more popular product to sell—one which he could conscientiously recommend to his large clientele.

Accordingly, he selected from provincial records the names of three hundred automobile owners—fifty for each one of six popular cars. He called these people by telephone . . . inquiring of each one how well he liked his car. Did its performance please him? Was it economical? Was it dependable? Was it giving 100% satisfaction?

The investigation took a month to complete. But it brought out the facts he wanted to know. One car stood out above all by the test of owner experience. That car was Oldsmobile.

The fifty Oldsmobile owners, to quote from the salesman's own notes, "were almost 100% in stating that if they were to buy new cars tomorrow, their choice would be Oldsmobile. This car's rating in owner satisfaction is nearly perfect."

To the actual facts as told by this salesman—who today is an enthusiastic member of the Oldsmobile organization—we desire to add nothing. We do suggest, however, that you talk to owners yourself. They will tell you how much it really means to own a car like Oldsmobile .... designed and built and sold to give enduring satisfaction.

GM GENERAL MOTORS PRODUCTS

OLDSMOBILE SIX and EIGHT

PRODUCED IN CANADA

Utilities and Transportation

MONTREAL POWER NEVER STRONGER SAYS J. S. NORRIS

Letter Accompanying New Debentures Urges Retention

From Our Own Correspondent

MONTREAL. — Though market prices of the shares subscribed for by customers of Montreal Light, Heat and Power Cons., in its recently concluded campaign have been adversely affected during the subscription period, the company is actually in a stronger position today with respect to earnings, finances and properties than at any time in its history, according to J. S. Norris, vice-president and managing director of the company. In a letter to customer-subscribers, which is being forwarded with new debentures, recipients are urged to beware of unscrupulous individuals who may offer to exchange their debentures for securiteis of questionable or indeterminate value or to buy these debentures at less than their real worth.

Customers are recommended to retain their investments if possible, for, when regard is had for the past record and present position of the company, Mr. Norris states there is ample reason for the conviction that with a return to more normal conditions, customers will find it to their advantage to convert their debentures into common stock and thereby share in the progress of Montreal Power.

Time Extension Granted

Delivery of the debentures, which commenced on July 15, brings the subscription phase of the campaign to as favorable a close as could be expected under the circumstances, the letter continues. For the comparatively small minority who have not completed installments due, the company formally announces an extension of subscription contracts for six months from June 15 to December 15, with interest adjusted at 3 per cent. It is further stated that exceptional cases will be considered upon their merits and an additional period may be granted upon substantiated evidence of good faith on the part of the customer.

No formalities will be required of subscribers taking advantage of the extension to December 15. They need simply continue payments to complete the contract within that period and debentures will be issued about the 15th of the month following date of final payment.

Started Campaign in 1930

On June 25, 1920, the company offered to customers the right to subscribe for shares of Montreal Power at $50 a share, payable in installments up to June 15, 1932. On this basis, 553,995 shares were subscribed for by customers. Employees were given the same opportunity and 34,192 shares were subscribed for.

Late in 1931 a meeting of shareholders authorized creation of an issue of $30,000,000, 3 per cent, 7-year debentures which have been offered to subscribers in place of the common stock. The debentures are convertible into common on the basis of one $50 debenture for each share of stock at any time up to July 1, 1937, and are thereafter subject to redemption at par at the option of the company up to July 1, 1939.

Montreal Telegraph Pays 70 Cents After Tax

From Our Own Correspondent

MONTREAL.—Shareholders of the Montreal Telegraph Co. have been advised that the Dominion of Canada corporation income tax having been increased from 10 per cent to 11 per cent, plus 5 per cent surtax, and made retroactive for the year 1931, it has been found necessary to deduct 12½ per cent from the current dividend and following dividends until further notice.

Montreal Telegraph Co. has outstanding $2,000,000 of common stock, having a par value of $40. Dividends are paid at the rate of 8 per cent less Canadian government income tax; the quarterly dividend going forward, after deductions, will be 70 cents a share.

Cordage Company Extends Plant

In anticipation of a bumper wheat crop this year in Canada, the Plymouth Cordage Company, one of the important industries in Welland, is preparing to meet the expected heavy demand for binder twine by installing new machinery to increase the capacity by 20 per cent and by running a night shift on a 55 hour per week basis, according to H. K. Smith, manager of the plant. It is expected that the new development will provide work for 200 persons.

Quebec Power Profits Below Dividend Need

From Our Own Correspondent

MONTREAL— Net profit of the Quebec Power Co. in the first six months of the current year fell somewhat short of dividend requirements on the common stock. Figures released indicate that share earnings after estimated income tax for the half year were 65 cents compared with dividend disbursements of 75 cents a share. Net profits in the first six months of 1931 were equal to $1.01 a share on the common.

Gross revenue in the six months ended June 30, 1932, was $2,111,189 compared with $2,399,649 in the same period of the previous year. Operating expenses, taxes and provision of $27,091 for exchange, totalled $1,329,683, an increase of $12,000, and net operating revenue was $781,506 compared with $1,082,622 in the first half of 1931.

After interest charges, estimated depreciation and income tax, the net available for shareholders was $362,668, or the equivalent of 65 cents a share on the 553,198 shares of common stock. This compared with a net of $661,268 in the same period of the previous year, or the equivalent of $1.01 a share on the common.

CANADA NORTHERN POWER BENEFITS BY MINE ACTIVITY

Gold Producers Increase Load on Company's Power Lines

From Our Own Correspondent

MONTREAL.—Gross earnings of Canada Northern Power Corp. in the year ended May, 1932, were $3,392,910 which compared with $3,222,077 in the previous twelve months period. Operating expenses were slightly reduced and net earnings were $2,370,000 contrasted with $2,186,111.

In a letter to preferred shareholders, B. V. Harrison, vice-president and general manager, points out that a considerable portion of the improved earnings is accounted for by the increase in domestic and commercial demand for power, though the greatest gain has come from the increased activity of the gold mines in the Kirkland Lake, Porcupine and Matachewan district. A new transmission line from Bois Chatel to Kirkland Lake is under construction and this duplicate 110,000 volt line when complete will be an additional safeguard to the increased power load in the Kirkland Lake Camp.

Expansion in Mining

In reviewing activity in the mining district, Mr. Harrison points out that a new mill has been completed at the Hayden Mine in the Porcupine district, which is now in operation. In the Noranda-Rouyn area, a new hoist has been installed at Noranda and construction of a number of duplex residences has been commenced in a new subdivision of the town of Noranda.

Operations carried on by Mining Corp. of Canada at the Ashley property in the Matachewan area are progressing and construction of a mill is under way. In conclusion, he says, conditions in all the gold-producing camps served by the company are active, with encouraging prospects for resumption of operations at several inactive properties.

Sales of electric appliances by the Canada Northern Power Corp's merchandising department have been maintained, amounting to $56,570 for the first five months of the year. This compares with $55,875 in the same period of the previous year.

At the end of May, 1932, the company had 9,389 resident customers, an increase of 1,000 over the same date in the previous year.

Public Utility Earnings

Quebec Power

Six Mos. Ended June 30:	1932 $	1931 $
Gross revenue	2,111,189	2,399,649
Oper. exp., taxes, etc.	*1,329,683	1,317,027
Net oper. rev.	781,506	1,082,622
Net profit available for shareholders, after int., esti. deprec. & income tax	362,668	661,268

* Includes $27,091 exchange.

Southern Canada Power

June	1932 $	1931 $	Decr. $
Gross earn.	174,008	188,207	14,199
Oper. exps.	63,110	74,560	11,450
Net earns.	110,898	113,647	2,749
9 Mos.:			
Gross earn.	1,693,929	1,775,287	81,358
Oper. exps.	617,092	694,272	77,180
Net earns.	1,076,837	1,081,015	4,178

MONTREAL ISLAND COVERED INTEREST CHARGES IN 1931

Surplus of $44,674 Transferred to Reserve

From Our Own Correspondent

MONTREAL.—Gross revenue in 1931 for Montreal Island Power Co., jointly controlled by Montreal Light, Heat and Power Cons. and Power Corp. of Canada, was $702,444. Expenses were $145,097 leaving net revenue at $557,347. This was sufficient to cover fixed charges of $512,673 leaving a surplus, transferred to depreciation reserve, of $44,674.

Since this is the first financial statement of the company to be made public, comparative figures are not available. J. S. Norris, president of the company, states that revenue was obtained from the sale of 30,000 h.p. for nine and a half months and 40,000 h.p. for two and a half months of the year under review. Since October 15, 1931, contract sales have been on the basis of 40,000 h.p., the extra revenue from which, for a full year, will be reflected in current year's earnings.

Profit and Loss

Following is a statement of profit and loss for the past year:

	1931
Gross revenue	$702,444
Expenses	145,097
Net revenue	557,346
Fixed charges	512,672
Surplus, trans. to dep. res.	$44,674

Lacks Working Capital

The balance sheet shows total assets of $10,917,836. Property, plant, franchises, etc., as at December 31, 1930, were valued at $10,704,879, and additions during the year of $79,692 brought property account up to $10,784,572 at the end of last year. Cash totals $33,396; accounts receivable, $64,650; and a Provincial Government deposit is shown at $25,000.

In liabilities, accounts payable of $118,162 are revealed and bills payable total $130,000. Reserve for depreciation stands at $44,674. Lack of working capital is indicated by the fact that current liabilities of $248,162 exceed current assets of $98,446 by $150,116.

No Dividends Paid

Funded debt comprises $9,250,000 of 5½ per cent first mortgage bonds. Capital stock comprises $1,000,000 of 6 per cent preferred, on which no dividends have been paid yet, and 75,000 shares of no par common stock.

The company's generating plant on Riviere des Prairies now comprises six hydro-electric units of 9,250 h.p. each, with provision for four additional units of the same capacity for installation and use, as, if and when extra water becomes available. It is stated that the present installation has worked out very satisfactorily. All the company's ouput is contracted for by Montreal Light, Heat and Power.

ASSOC. TELEPHONE DENIES ALLEGATIONS

Will Fight Petition Made to Appoint Equity Receiver

From Our Own Correspondent

MONTREAL. — Appointment of an equity receiver for Associated Telephone and Telegraph Co. has been asked in a bill filed in the Federal District Court in Chicago for alleged mismanagement. A petition has also been filed in the Federal Court in Kansas City, asking similar action in the case of the Telephone Bond and Share Co. which is affiliated indirectly with Associated Telephone and Telegraph Co. Both petitions alleged that dividends were improvidently declared on the voting stocks of the companies in 1931.

Officers of both companies have issued replies, stating that the company will resist the petitions; that the matter is in the hands of its counsel and that all dividends were declared in good faith and were, in the judgment of directors, reasonable and prudent at the time they were declared.

Deficit Shown Last Year

Net profits, after charges, of Associated Telephone and Telegraph Co. in 1931 were $1,162,738 compared with $2,215,032 in the previous year. Dividends were paid at the regular rate on the 7 per cent first preferred, $6 first preferred, and $4 preferred stock and a disbursement of $6 was paid on the Class "A" stock. Common dividends totalling $777,160 were also paid, resulting in a deficit for the year of $1,296,975.

SOUTHERN CANADA JUNE PROFITS DROP

Power Company Effects Sharp Reduction in Expenses

From Our Own Correspondent

MONTREAL.—Gross and net earnings of Southern Canada Power Co. in June showed a decline in comparison with the same month in 1931. Gross was off $14,000 at $174,008 and net earnings were down $2,749 at $110,898. The relatively small drop in net earnings was due to a sharp reduction in operating expenses which were lowered by $11,450.

In the nine months ended June 30, gross revenues showed a decline of $81,358, at $1,693,929. Operating expenses were reduced by $77,180 and net earnings for the period were $1,076,837, a drop of $4,178 compared with the previous nine months' period.

Activity in Territory

In a letter to preferred shareholders, reference was made by the company to activity in the territory it serves. It is pointed out that industrial firms in the United States and elsewhere are showing greater interest in the Imperial Conference and are investigating possibilities for manufacturing in Canada. At Granby, the plant of the Manhattan Silk Co. is nearing completion, and machinery is ready for installation.

Other firms in that district are considering the addition of more equipment. At Richmond, the plant of the Boston Last Co. is being overhauled for use as a boot and shoe factory, machinery for which is expected shortly.

Merchandise sales of Southern Canada Power throughout its 25 stores have been maintained up to the recent average with sales in May showing a fair increase. It is stated that special sales of popular-priced articles are being conducted energetically.

Milling Company Extends Property

The Robin Hood Mills Limited have contracted with the Thunder Bay Harbor and Improvement Company for the construction of a dock and warehouse on the south bank of the Kaministiquia River in the vicinity of the Paterson elevators. Work will start at once on the driving of piles for the dock, which will be 250 feet long.

NEEDS COVERED BY SHAWINIGAN FOR HALF YEAR

Profits Equal 53 Cents a Share After All Charges

From Our Own Correspondent

MONTREAL. — Net profit of Shawinigan Water and Power Co. in the first six months of the current year was sufficient to cover dividend disbursements in that period.

After all deductions, earnings were equal to 53 cents a share on the common stock; directors have declared the regular quarterly dividend of 25 cents a share for the quarter ended June 30. Earnings in the first six months of 1931 were equal to 90 cents a share on the common.

Gross revenue in the six months ended June 30, 1932, amounted to $6,442,652 compared with $6,842,238 in the corresponding period of 1931. After operating expenses, which were lowered in the second quarter, interest, exchange of $303,378, depreciation and estimated taxes, net income available for dividends was $1,159,381. This compared with $1,968,674 for the first half of 1931, a decrease of $809,293.

Depreciation Basis Higher

In viewing this decrease it should be noted that the amount charged for depreciation was calculated on the basis of $800,000 as compared with a basis of $600,000 in 1931, while premium on exchange accounted for $303,378. Operating expenses in the second quarter showed a decrease of $53,349 compared with the first quarter though fixed charges showed a gain of $29,100, reflecting interest on the new seven year, six per cent short term notes.

New contracts for primary power totalling 17,400 h.p. were signed during the six months period and there has been a net increase of 88,790 h.p resulting from new contracts for secondary power. Before the end of the year, earnings should reflect in full the benefit from new contracts secured, according to Julian C. Smith, vice-president and managing director of the company. One of the new primary power contracts results from operation of the new Cellophane plant of Canadian Industries at Shawinigan Falls. This came into operation in April; plant capacity is already being doubled, and primary power requirements of the unit are 2,400 h.p.

Conditions in the newsprint industry have resulted in a lessened use of current for power purposes by the paper companies, but it is pointed out that Shawinigan has been able to introduce in practically all the newsprint plants the use of electric current for generation of steam in substitution for coal. This has resulted in the making this year of secondary power contracts with the paper companies to a total of 168,800 h.p. This total is temporarily reduced, however, by the shutdown of Belgo division of Consolidated Paper Corp., which was using current for steam purposes to the amount of 85,000 h.p.

Resulting from a new arrangement with Donnacona Paper Co., Shawinigan Power has obtained a distribution system covering five municipalities and serving 1,100 customers, in return for a readjustment of its former power contract.

G.T.R. SHAREHOLDERS PETITION APPROVED

Permission Granted to Serve Writ Against Company

From Our Own Correspondent

MONTREAL.—Permission has been granted to counsel for H. W. Boardman to serve a writ on the Grand Trunk Railway in an action by Grand Trunk first preference stockholders for compensation amounting to £37,000,000. Permission was granted by the Chancery Court in London.

Claim against the Grand Trunk and the Canadian National is brought by H. W. Boardman on behalf of himself and all other holders of the first preference shares of the Grand Trunk as recorded at January 1, 1923. The sum involved, it is stated, is the largest to figure in an English court case.

Company Still Exists

Counsel for Boardman based his petition on the claim that the Grand Trunk still held property in Cockspur Street, London, under a license in mortmain, and the court ruled that if this were so the railway was still in existence.

Plaintiff claims the series of acts of the Canadian Parliament and orders in Council and agreement entered into in Canada concerning the taking over of the Grand Trunk by the Canadian National Railways were all ultra-vires, and that notwithstanding these developments the first preference stockholders remain legally in existence.

WOULD REMODEL CHEESE INDUSTRY

Ontario Minister of Agriculture Announces Radical Plan

Following closely on the announcement that an export bounty system for cheese was under consideration in Australia in order to compete in the British market, Hon. T. L. Kennedy, Ontario Minister of Agriculture, has announced a plan through which it is hoped to stabilize the Ontario cheese industry, with the object of thoroughly supplying domestic needs and of enabling the industry to compete in the world market, particularly the British one, with a graded article at a competitive price.

No grading facilities are at present available and there are 774 small factories scattered throughout Ontario, many of which are finding it almost impossible to make a profit. Over a period of five years, Mr. Kennedy would attempt to reduce this number to 150 by amalgamation and elimination.

In brief, the plan as outlined by the minister is to place the manufacture and sale of cheese on a huge co-operative basis, reduce the overhead by the elimination of the smaller factories, increase the volume of milk production, create central storage houses and build up a selling organization.

Wheat and Wheat Flour Exports totalled 3,766,371 bu. for the week ended July 8, compared with 2,610,062 bu. in the corresponding week of 1931. Montreal leads in exports with a total of 2,123,526 bu., followed by Vancouver with 949,398 bu. Prince Rupert, with exports of 320,320 bu. and Sorel with 37,127 bu. are the other Canadian ports.

New Index of Profit Devised for Great Britain

We learn from the current monthly review of Barclays Bank, Ltd., that a new index of industrial profit for Great Britain has been devised by Sir Josiah Stamp, famous British economist and well-known to many in Canada.

The index is the first of its kind attempted in Great Britain and as far as we can ascertain in the world, and is expected to be of very considerable importance in estimating from year to year the relation of industrial profits to production and other relevant measurements of business trend. The results of Sir Josiah's investigations formed the subject of his presidential address to the Royal Statistical Society at the end of last month.

The index from 1920 to 1931 is given below together with a sub-index representing the profit available for ordinary capital after deduction of the amount required to satisfy prior claims. Both series have been pivoted on 1924 which is the base year adopted for most important indices in Britain. The London and Cambridge series of industrial production is also shown for comparative purposes.

Year	General Profit Index	Sub-index for Ordinary Capital	L. & C. Index of Produc'n	Cost of Living
1920 ..	107.0	112.0	104.7	142.2
1921 ..	68.7	57.3	75.3	129.0
1922 ..	90.4	84.5	89.3	104.5
1923 ..	94.1	90.6	91.1	99.4
1924 ..	100.0	100.0	100.0	100.0
1925 ..	104.1	109.3	101.1	100.6
1926 ..	98.3	103.0	90.2	98.3
1927 ..	106.5	111.4	110.2	96 0
1928 ..	106.2	110.7	108.5	94.8
1929 ..	109.9‡	114.3	116.2	93.7
1930 ..	100.9	94.4	107.5	90.3
1931 ..	92.0*	80.9‡	99.1	84.0

‡Provisional estimates, subject to early verification.

*Very provisional estimate.

Commenting on the figures, Barclay's Bank monthly review says:

"The figures suggest that between 1921 and 1925, there was a more rapid increase in profits than in actual production, but that in the four following years, production considerably outstripped the rise in profits; this development probably reflects the improvements in the organization of industry and the broadening demand which enabled manufacturers to reduce the margin between costs of production and selling prices. The heavy fall in profits between 1929 and 1931 is an indication of the severity of the depression in this country, but the sharp fluctuation then experienced was relatively moderate compared with the estimated decline in the index of corporation profits in the United States, which dropped from about 163 in 1929 to 31 in 1930."

CANADA PACKERS HAS HEAVY LOSS ON INVENTORIES

Net Profit $384,302 Compares With $838,112 in Previous Year

INVESTS IN BONDS

Receivables and Inventory Lower; Liquid Position Improved; Bank Loan Unchanged

With sales on a weight basis but 1.93 per cent under those in the year ended March 31, 1931, Canada Packers Ltd. closed its fiscal year on March 31, 1932, with dollar volume of sales down 27.4 per cent to $60,081,710 and net profit available for preferred dividends at $384,302 compared with $838,112 in the preceding year. This equals $6.36 on each preferred share in 1931-32 against $13.58 in 1930-31. Surplus was reduced by $38,017 to meet preferred dividends. Liquid position of the company was improved.

Usually no details are given in the income and surplus account but it is stated that income tax deduction in the past year amounted to $141,000. Income and surplus account for the past two years is as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended

	Mar. 31 1932 $	Mar. 26 1931 $
Net profit†	384,302	838,112
Less appropriations:		
Pref. dividends ...	422,319	435,395
Surplus for year ...	*38,017	402,717
Add: Subs. shs. converted	....	2,352
Previous surplus ..	4,111,638	3,706,569
Bal. carried forward .	4,073,621	4,111,638

†After all expenses, bond interest, depreciation and taxes. *Deficit.

Reduction in earnings is accounted for by increased taxation and decrease in prices of products handled which caused inventory losses in excess of $500,000. During the fiscal year ended March 31, 1932, prices in the Toronto market on choice steers dropped 13 per cent; on select bacon hogs 40 per cent; on native steer hides 37 per cent; on edible tallow 25 per cent and on new laid eggs 18 per cent. Losses in the last three months of 1931 totalled $300,000, due to sudden change in prices and on January 1 the Toronto plant of Wm. Davies Co. was closed and the business of Canada Packers was consolidated into a single operating unit. Salaries and wages were reduced throughout the organization and economies effected totalled $20,000 per week.

Cash Position Better

The working capital of the company shows no substantial change but ratio of current assets to current liabilities has increased, and decrease in accounts receivable and inventories is offset by new investment of $1,039,678 in government and municipal bonds and call loans of $261,000. Receivables are down to $3,016,143 from $3,930,256 and inventories to $5,319,435 from $5,912,970. Bank loans at $1,651,558 compare with $1,616,394 the year previous and accounts payable are down to $1,105,046 from $1,320,258. Working capital position is as follows:

Working Capital

	1932 $	1931 $
Current assets	9,653,034	10,071,134
Current liabs.	2,957,526	3,347,433
Working capital	6,695,508	6,723,701
Ratio	3.23—1	3.01—1

Investment in bonds of Wm. Davies Co., and Harris Abattoir Co. is $505,247, a slight increase, while investment in and advances to related companies is up to $315,578 from $235,992. Sundry investments and mortgages are up to $837,533 from $719,859, life insurance surrender values to $189,167 from $161,635 and prepaid expenses to $126,947 from $112,707. Cash in hands of trustee remains at $81,790. Land, buildings, plant and equipment are shown at $18,871,801, a decrease of $53,381.

Among non-current liabilities is reserve for depreciation of $5,384,133, an increase of $746,607 in the year. Surplus on appraisals remains at $5,686,548. The 6 per cent first mortgage bonds of William Davies Co. outstanding have been reduced to $1,625,000 from $1,750,000 and the Harris Abattoir 6's of 1947 to $3,527,900 from $3,658,400. Minority interest of shareholders of subsidiary company amounting to $2,764 has been wiped out. There is outstanding 60,335, $100 par value 7 per cent preferred shares on which dividends of $10.50 per share were in arrears at March 31, 1932, and 200,000 shares of no par value common stock.

Emigrants to United States

Persons entering United States from Canada to take up permanent residence in the former country numbered 481 in May as compared with 612 in the previous year and 4,216 in 1930.

For the period from July, 1931, to May, 1932, the total was 7,404 as compared with 24,400 for the same period of 1930-1931.

WENTWORTH RADIO CASH IS HIGHER

Losses Partially Offset By Proceeds of Life Insurance

Sales made by Wentworth Radio & Auto Supply Co. dropped to $608,279 in the year ended April 30, 1932, compared with $1,151,312 the previous year, and loss on operations for the period was $28,136 against a loss of $32,535 in 1930-1931. Proceeds of insurance policies on the late H. H. Slack amounted to $50,000 and offset losses on inventories and in closing out the Montreal and Toronto stores. Surplus carried forward was increased from $10,457 to $41,179 due to taking in special surplus re predecessor companies. The company is now controlled by preferred shareholders who have appointed a majority of the directors since preferred dividends are in arrears for five quarters.

Income and surplus account of the company is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended April 30

	1932 $	1931 $
Sales	608,279	1,151,312
Net earnings	*28,136	†*32,535
Less: Depreciation .	14,855	14,946
W/o invest.	16,158	....
Closing down stores	23,697	....
Fees & int. pay. ..	9,941	....
Net profit	*92,787	*47,481
Insur. recovered	50,000	....
	*42,787	*47,481
Less appropriations:		
Pref. dividends ...	....	19,500
Surplus for year	*42,787	*66,981
Add: Prev. surp. ...	10,457	78,803
Inc. tax adjust. ...	....	1,365
Spec. surplus‡ ...	73,509	....
Bal. carried fwd. ..	41,179	10,457

*Loss or deficit. †After life insurance. ‡Re predecessor companies.

The balance sheet shows the company with no bank loan and cash on hand of $59,544. Accounts and bills receivable are down to $29,710 from $75,180 and merchandise inventories at cost are down to $153,521 from $215,645. A new item of $16,543 is due from Canadian Acceptance Corp. for holdback re bills receivable sold to them. Accounts payable have been reduced to $58,060 from $85,747. Working capital as shown below is but slightly lower; ratio of current assets to current liabilities is up and cash position is substantially better than at the end of the previous year.

Working Capital

	1932 $	1931 $	1930 $
Current assets.	259,827	290,825	295,267
Current liab....	59,806	87,222	115,546
Work. capital..	200,021	203,603	179,721
Ratio	4.34—1	3.33—1	2.56—1

Non-current assets and liabilities show no great change. Prepaid expenses are down to $8,222 from $15,410 but deferred expenses of $15,000 and organization expense of $4,239 remain unchanged. Hamilton land is retained at $30,000 and Hamilton buildings at $141,718; furniture and fixtures are down to $57,481 from $69,644 and motor trucks down to $10,570 from $20,344. Depreciation to be deducted from buildings, fixtures and trucks is $27,693.

Investment in common shares of Wentworth Radio Broadcasting Co. is carried at $50,000.

First mortgage payable on Hamilton land and building is down to $75,000 from $76,219. Preferred stock outstanding remains at $300,000 and class "A" and class "B" shares at $75,654.

Cream Exports Increase

Cream exports to the United States continue to increase. Shipments during May amounted to 11,812 Canadian gallons, as compared with 10,669 gallons in April and 996 gallons in May last year.

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on
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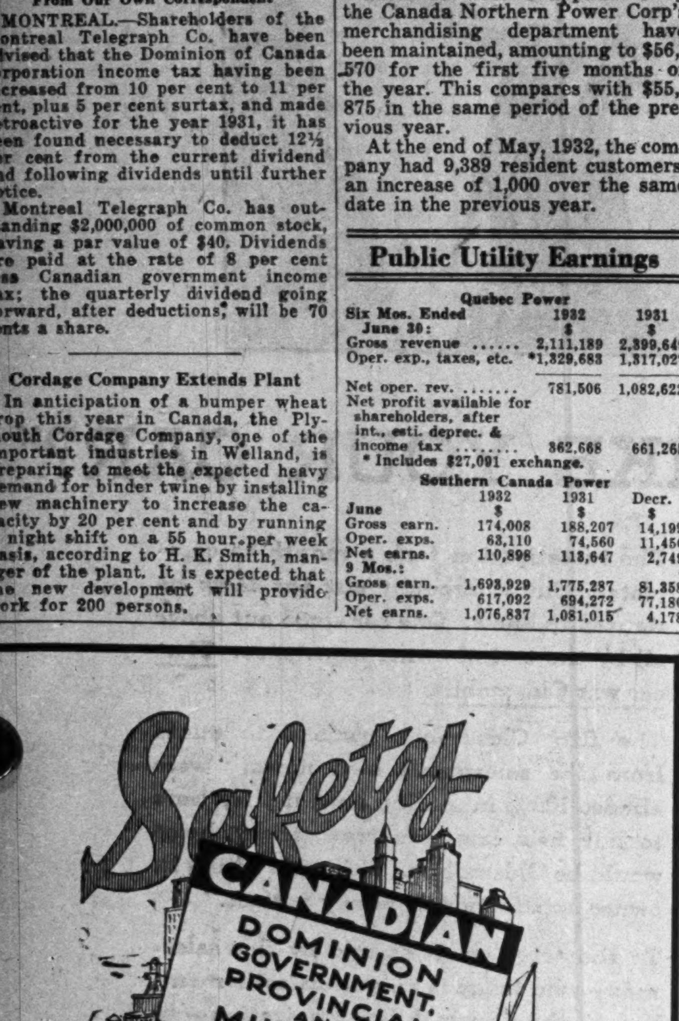

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News of Investment Markets

INTERNAT. HYDRO EARNINGS LARGER IN FIRST QUARTER

Better Returns to Date But No Action on "A" Dividends

From Our Own Correspondent

MONTREAL. — Consolidated gross revenue of International Hydro-Electric System a division of International Paper and Power Co., during the first quarter of this year amounted to $17,199,274, as compared with $12,999,275 for the corresponding period of last year.

After deducting all prior charges, including interest, depreciation, dividends and amounts applicable to minority stocks of subsidiaries, etc., earnings available for dividends on the preferred and Class A stocks were $1,149,949, against $729,336 for the first three months of 1931. After deducting dividends, earnings available on the class A stock totalled $1,024,997, against $604,384 in the first quarter last year.

Larger Current Surplus

Particulars of income for the first quarter of 1932 and 1931 follow:

	1932 $	1931 $
Gross revenue	17,199,274	12,999,275
Net	9,880,357	7,544,880
Interest, divds., etc.	7,387,564	5,671,837
Depreciation	1,342,865	1,143,707
Balance for divds.	1,149,948	729,336
Dividends:		
Preferred stock	124,952	124,952
Class A stock	429,098	415,137
Balance to surplus	595,898	189,247

Cumulative Figures Up

For the twelve months ended March 31, consolidated gross revenue was $61,776,395, compared with $50,489,866 in the preceding twelve months period. Consolidated earnings in the past fiscal year available for dividends on the Class A stock were $3,138,672, or $3.67 a share, against $2,920,651, or $3.61 a share, in the preceding twelve months.

Particulars of the consolidated statement for the twelve months ended March 31, 1932 and 1931 follow:

	1932 $	1931 $
Gross revenue	61,776,395	50,489,866
Net	34,481,606	28,545,285
Interest, divds., etc.	26,288,775	21,010,085
Depreciation	4,554,352	4,122,247
Balance for divds.	3,638,479	3,412,953
Dividends:		
Pref. stock	499,807	492,302
Class A stock	1,709,733	1,622,956
Balance to surplus	1,428,939	1,297,695

In the above statement income and expenses of Canadian subsidiaries have been taken at parity of exchange without adjustment of differences between foreign and United States currencies. All profits and losses actually realized in transactions involving exchange have been included in the above results.

No Dividend Contemplated

In commenting upon the improved earnings of the system, A. R. Graustein, president, said that the gain in earnings was due partly to increased contract deliveries and to better water conditions.

Pending definite indications of improvement in business conditions, Mr. Graustein said that the directors felt that in view of the early maturities facing New England Power Association, cash resources should be conserved and to that end dividend on the Class A stock was deferred on June 8. The dividend is cumulative.

H. B. ROBINSON & CO. PROSPECTS DISMAL

Liquidator is Not Hopeful for Holders of Stock

From Our Own Correspondent

MONTREAL.—Outlook for preferred and common shareholders of H. B. Robinson and Co., investment banking house in liquidation, is not encouraging. According to a letter dispatched to creditors by the liquidator, W. H. Campbell, it would appear there will be no funds available for security holders after payment of other creditors. The letter states that owing to the large claims which have already been filed against the company by brokers, and also owing to likelihood of claims of considerable amounts still being filed by other brokers and banks, it would not appear that the assets of the company will realize nearly sufficient to pay these claims.

In explanation it is pointed out that H. B. Robinson and Co. purchased a considerable number of shares of Enamel and Heating Products and a great number of these shares were being carried for the company by the banks and brokers in Montreal until such time as H. B. Robinson and Co. could dispose of them, upon the installment payment plan.

No More Collateral

Owing to the market value of Enamel and Heating Products shares being adversely affected, the company was called upon to place additional collateral with the banks and brokers carrying the shares. Eventually no other securities were available for this purpose and it was necessary to place the Robinson Company in liquidation.

H. B. Robinson and Co. was one of the few investment banking firms which offered the public an opportunity to participate in its activities through the purchase of stock. An offering of 20,000 shares of 6 per cent preferred stock and 5,000 shares of no par value common of H. B. Robinson and Co. were offered for sale in November, 1929. The stock was sold in units of four shares of preferred and one share of common stock for $220; preferred stock had a par value of $50 a share.

Canada Dry Co. Asked to Handle Beer if U.S. Wet

Canada Dry Ginger Ale, Inc., has been approached by foreign liquor interests who desire representation in the United States in case the Eighteenth Amendment, or the Volstead Act, be amended as a result of the approaching election. One of these is stated by the Wall Street Journal to have been the Pilsner Breweries, of Pilsner, Czechoslovakia. Final agreement with this company or with German breweries associated with it, would not occur until the exact situation defines itself.

Soft drink manufacturers generally in the United States claim that a return to beer drinking would be profitable to them as their distributing organizations would be largely used in such event. They base their assumptions on results in Canada. Sales of Coca Cola in Montreal, for instance, are stated to be twice the per capita sales in the United States. The fact that Canada Dry Ginger Ale's Canadian business has shown increases over previous years in recent months also makes these observers think that soft drink sales can increase where alcoholic beverages are easily obtainable.

Bottle Sale Expected

Both Republicans and Democrats are against any return of the old saloon, and the expectation, therefore, is that future beer sales will be largely in bottles. As bottles are really more expensive than the beer they contain, in many cases it is understood that sales would have to be accompanied by plans for collection of empty bottles. It is the organization of Canada Dry and other large soft drink manufacturers for this purpose which leads to the expectation that they will be beer distributors as well.

Hard liquor manufacturers in Canada are said to be watching the situation with great interest as well.

REGENT KNITTING QUANTITY SALES SHOW INCREASE

Lower Values Reflected in Returns for This Year

From Our Own Correspondent

MONTREAL.—Quantity volume of sales of Regent Knitting Mills in the first half of the current year is reported to have shown an improvement over the same period last year but lower selling values have tended to reduce the dollar volume. Increased plant efficiency, however, has offset this decline in sales with the result that figures for the first six months are expected to show an improvement in comparison with the same period of 1931.

Operations of Regent Knitting Mills in the first half of last year resulted in a substantial loss; in fact the company's main earning power always develops in the latter portion of the year. Though the likelihood of a profit in the period ended June 30, 1932, is considered remote it is understood the loss to be a small figure.

Deficit Last Year

Net earnings of Regent Knitting Mills in 1931 were $19,958 compared with $61,653 in the previous year. After all charges there remained a deficit of $131,606 for the year and surplus at profit and loss was reduced to $288,845. Balance sheet position, however, was improved. Inventories were lowered 28 per cent, bank loans reduced, and $71,690 of first mortgage bonds were redeemed.

A year ago industrial engineers completed a thorough reorganization of the company's plant and operations began to show improvement from that date. During the current year Regent Knitting will reflect a full twelve-months benefit resulting from the revised operating schedule.

Bond Tenders

8 p.m., July 25, Maniwaki—$40,000, 6 per cent waterworks bonds, redeemable serially from Aug. 1, 1932 to Aug. 1, 1972. P. Joanis, sec.-treas.

July 25, Laval-sur-le-lac—$20,000 debentures. H. Gohier, sec.-treas.

July 25, Town of Noranda—$30,000, 6 per cent, 15 year serial bonds, dated Sept. 1, 1932. F. Hebert, sec.-treas.

12 o'clock, July 27, United Counties of Northumberland and Durham—$320,159.96, 6 per cent 15-year instalment debentures, dated June 21, 1932, payable at Bank of Toronto, Cobourg, Ont. E. L. MacMachtan, Counties' treas., Cobourg, Ont. (See announcement on page 8).

July 20, Niagara-on-the-Lake, — $19,800, 6 per cent 10-instalment debentures. J. E. Masters, treas.

July 21, Penetanguishene—$5,000, 6 per cent 10-year; $20,000, 6 per cent 15-year debentures, guaranteed by County of Simcoe. W. H. Hewson.

12 o'clock noon, July 27, Waterloo — $75,622, including $3,561, 6 per cent due 1933-42; $2,695, 6 per cent 15-ins. due 1933-47; $3,866, 6 per cent 20-ins. due 1933-52, improvement debentures; $8,000, 6 per cent 30-ins. due 1933-62 for schools; $57,500 6 per cent 30-ins. due 1933-62 for sewerage. N. A. Zick, treas.

FAIRHALL GROUP TO ISSUE SHARES OF NEW COMPANY

Exchange of Old Stock Expected to Take Place Shortly

From Our Own Correspondent

MONTREAL. — Shareholders of Diversified Standard Securities and the second and third investment trusts of the same name will shortly receive notices acquainting them of the issuance of new securities for the old shares they hold. The three Diversified Standard Securities companies are being merged into one entity to be named Consolidated Diversified Standard Securities.

Supplementary letters patent have been issued confirming arrangements made between the old companies and the new. It will be remembered that shareholders originally protested at the scheme of arrangement on the grounds that the voting control in the new company was being vested with the old founders or class "B" shares in the proposed exchange of securities. This problem was overcome by a change in which the new class "B" stock, given a double vote in the first plan, was reduced to single voting power. All new shares are now entitled to one vote.

New Capital Structure

The new company, Consolidated Diversified Standard Securities, will have outstanding 51,534 preferred shares of no par value; 153,978 no par shares of class "A" stock and 112,500 shares of class "B" stock no par value. Voting control remains in the hands of the senior securities.

The issuance of new preferred shares is determined by net asset values. Added to this, an allowance has been made to compensate partially for accumulated dividends on the old preferred stocks, as well as those to accrue to the date of acquestion by the new company.

In the case of Diversified Standard Securities the basis of exchange will be 7/25ths of one new preferred share for each old preferred; the two other investment trusts will receive 11/25 of one new preferred share. In addition, each preferred group will also receive one new share of class "A" stock for each 10 old preferred shares held.

Common and class "A" shares of the old companies will be given new class "A" shares, one for one. Old founders and class "B" stocks will be given half a share of new class "B" stock for each share held.

The new preferred is preferred as to non-cumulative dividends at the rate of $2.50 a share and is callable at $50. The new class "A" common is preferred as to dividends after preferred dividends have been paid to the extent of 50 cents a share prior to any payment on the class "B" stock.

Ford Motor Co. Activity Keeps Border Cities Busy

Due to the activity of the Ford Motor Co., employment in the Border Cities in June held up better than any previous June of which there is record, according to a report on business conditions issued by the Border Chamber of Commerce. June employment remained practically stationary at 13,253 as compared with 13,465 in May.

Of the June total, 7,508 were automotive workers and 5,745 were non-automotive. The corresponding figures the previous month were 7,724 and 5,741. There were actually more automotive workers employed in June than in the same month a year ago, but other workers employed were lower by over a thousand.

Adverse Weather Affects Montreal Exhibition Co.

From Our Own Correspondent

MONTREAL. — Bad weather has checked attendance at the Stadium of the Montreal Exhibition Co. in recent weeks; and a 100 per cent lead in receipts reported at May 26 has dwindled to an increase of about 20 per cent in the middle of July.

The company, which owns the Montreal baseball team in addition to the Stadium building, has 11 more games to play at home this season. Weather will undoubtedly be a major factor in the gate receipts, if recent climatic conditions prevail expectations for an improvement over last year will fade.

At May 26, 1932, receipts of the company attendance at baseball games had netted $66,000 compared with $33,000 in the same period in the previous year. Rainy holidays have caused the more recent shrinkage.

Bond Sales

BRAMPTON, ONT.

A. E. Ames & Co. has been awarded $108,293 6 per cent 30-year annual installment debentures of the town of Brampton, Ont. at 97.65, a cost basis to the town of approximately 6.22 per cent. Several bids were entered while several investment houses asked for an option. Tenders were as follows:

A. E. Ames & Co. bid	97.65
Wood, Gundy & Co. bid	96.88
C. H. Burgess & Co., J. L. Graham & Co. bid	96.56
Bell, Gouinlock & Co. bid	97.09
Bell, Gouinlock & Co. option	97.56
Dominion Securities Corp. bid	94.55
Gairdner & Co. option	98
Dyment, Anderson & Co. option	97

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
St. Law. Power	*6%	1935	Aug. 1	105
Can. Light & Pr.	†5%	1949	Aug. 1	...

*Called in part.
†Calling for tenders for sinking fund.

Small First Payment To McD. & C. Holdings

From Our Own Correspondent

MONTREAL. — Auditors are busy checking the books of McDougall and Cowans to determine what profits are available for McD. & C. Holdings Ltd., the realization company which took over assets and property of the six partners of the former bankrupt brokerage firm. The first installment payable to the holding company was due July 15; indications are that the amount will be scanty in view of the dull trading conditions which have prevailed. It is understood that the exact sum paid to the holding company will not be made public until the end of the year.

In the plan of reorganization it was stipulated that payments would be made at intervals of six months until such time as the entire obligation of creditors had been satisfied. A bonus of 10 per cent will be paid at the conclusion when the debt is liquidated.

Shares of McD. & C. Holdings are held by the creditors of the old brokerage house. Profits of the brokerage firm are distributed on a basis of 60 per cent to the realization company and 40 per cent to the partners; the extent of the profit of the brokerage firm is determined by directors of the realization company. Total amount of unsecured creditors' claims was $4,333,909.

Canadian Bond Prices Strong; Due to London

Strength in the Canadian high-grade bond market during the past two weeks is largely a development arising from increased demand from London for Canadian securities payable in London and sale of bonds, payable in London only, has released funds for other investments. Trading, as a result has been more active and prices throughout the list have appreciated, including those of the better utility and corporation bonds.

Ontario 5½'s recently offered at 97 are currently offered at 99⅞ on the street, or 100.5 retail. Ontario and C. N. R. issues payable in New York are selling to yield less than 5 per cent. The whole general price structure has moved up and there is some indication of an increase in municipal financing with several municipalities calling for tenders. Brampton has secured funds at a cost of 6.22 for 30-installment 6's.

The conversion offer of the British Government has stimulated bond prices in London and the British Columbia and Alberta issues recently sold in that market are quoted approximately eight points higher than the retail offering price. This opens more possibilities of Canadian financing in the London market and serves as an impetus to prices of Canadian high-grade bonds.

Opposition Voiced to Donnacona Plan

From Our Own Correspondent

MONTREAL—A small group of first mortgage bondholders of Donnacona Paper Co., representing about $750,000 of the issue, is opposing the proposed reorganization of the company. A protective committee has been formed comprising W. S. Atkinson, George Love, J. G. Verreault, and Dr. Arthur Rousseau.

The insurgents, numbering about 100, met recently in Quebec and decided to submit a counter-proposal to the company by which bondholders would receive income debentures for their bonds at the rate of $500 for each $1,000 together with 10 ordinary class "B" shares as well as representation in the management of the company.

At the end of last year Donnacona Paper had outstanding $6,584,000 of 5½ per cent first mortgage bonds. In the plan of reorganization submitted to security holders, first mortgage bondholders are offered 18½ shares of new class "A" stock for each $1,000 bond in consideration of a waiver of two years' interest from August, 1932. It is also proposed to pay the interest due August 1, 1934, Feb. and August 1, 1935, and Feb. 1, 1936, only out of net income earned after Feb. 1, 1934; such interest to be cumulative. Debenture holders meet July 25 to consider the plan.

Fraser Debentures Form Protective Committee

From Our Own Correspondent

MONTREAL—With noteholders of Fraser Companies banded together to oppose the plan of reorganization, holders of the company's debentures and the first mortgage bonds of the Restigouche Co. have formed a protective committee. Following a recent meeting in Quebec debenture holders appointed Stuart Atkinson, J. L. Apedaile and G. E. Warrington to watch their interests.

There are outstanding $6,000,000 of 6½ per cent debentures of Fraser Companies. Debenture holders are asked to accept voting trust certificates representing common shares of Fraser Company on the basis of 2 shares for each $100 debenture. Debenture holders meet July 27 to vote on the offer.

Walkerville Collects 60 p.c. of Tax Levy

Over 60 per cent of Walkerville's total tax levy for 1932 was collected up to July 14, the last day for payment of the first installment without penalty. Collections were expected to exceed $520,000 of the total tax bill of $854,979. The tax total for 1932 including arrears is $999,979, the arrears amounting to $145,000 for 1930 and 1931. Walkerville is one of the few municipalities in the Border cities group in Ontario that is not in default on its funded obligations.

City of Longueuil Bonds Offered by Syndicate

From Our Own Correspondent

MONTREAL—Banque Canadienne Nationale, L. G. Beaubien and Co., Rene T. Leclerc, Inc., and Ernest Savard, Ltd., are making a public offering of $129,700 of 6 per cent 6 year bonds of the City of Longueuil at 100 and accrued interest.

The object of this loan is to consolidate the floating debt, direct obligation of the municipality. Revenue for the last fiscal year was $155,930 and expenditures $153,829, leaving a surplus of around $2,100.

Can. Investors' Dividend Cut

Dividends declared on the common shares of the Canadian Investors Corp., payable August 2 to shareholders of record July 15, is 10 cents per share as compared with the previous quarterly rate of 15 cents per share. The new dividend places the company on an annual dividend basis of 40 cents per share. Initial dividend of 25 cents per share was paid May 1, 1930, and quarterly dividends at this rate were paid to November 1, 1931, when quarterly dividend was reduced 15 cents per share.

Loblaw Profit Drops 2.5 p.c.

Sales by Loblaw Groceterias Co. in the four weeks ended June 25, 1932, are reported as $1,049,378 compared with $1,141,917 in the same period of 1931. This represents a decrease of 8.1 per cent in the first period of the current fiscal year while net profit decreased only 2.5 per cent or to $69,051 from $70,856.

Grain Outlook Aids Activity Can. Bronze

From Our Own Correspondent

MONTREAL.—Prospects for a larger crop this fall brighten the outlook for Canadian Bronze Co. Already grain cars are being moved westward in readiness for the harvest and rolling stock, idle for months past, is being spruced up for action. Every new wheel that starts turning means prospective business for Canadian Bronze Co.

Earnings to date have shown a decline from last year but have been sufficient to cover preferred dividends with a margin to spare. With greater activity indicated in the last half of the year outlook for the common improves. At present, disbursements are paid on the junior stock at the rate of $1.25 annually compared with a former rate of $2.50.

Earnings in 1931 were equal to $1.66 a share on the common. After payment of dividends there remained a deficit of $41,820 for the year but a surplus of $470,567 was brought forward into the current year.

It is understood that so far this year no preferred stock has been redeemed. There is still $720,000 of these shares outstanding compared with an original issue of $1,250,000.

Hodgson Bros. Makes Offer of Thrift Stores Stock

From Our Own Correspondent

MONTREAL — Hodgson Bros. and Co. is offering preferred shares of Thrift Stores, Ltd., at $22.50 a share with a bonus of one share of common with each five preferred purchased. The stock has a par value of $25 and carries a cumulative dividend of 6½ per cent. The offering does not constitute new financing.

Clients are told that net profits of Thrift Stores have grown from $14,861 in 1926 to $78,341 in 1931. In the fiscal year ended March 31, 1932, profits were equal to $2.36 a share on the common after preferred dividends. Thrift Stores operates a chain of 66 retail grocery units in Montreal.

DOMINION BRIDGE LOWERS DIVIDEND COMMON STOCK

Two Quarterly Payments of 50 Cents Each Declared

From Our Own Correspondent

MONTREAL.—Directors of Dominion Bridge Co. have declared two quarterly dividends for the balance of the fiscal year; each payment at the rate of 50 cents a share. This compares with previous quarterly payments of 62½ cents. The first dividend is payable August 15 and the second Nov. 15.

The reduction in disbursements reflects the inactivity in the company's plants. Major construction work has dropped off sharply this year with a consequent diminution in demand for structural steel, and it is expected that earnings of the company have fallen below levels of last year.

May Work on New Bridge

Prospects for an early upswing in the company's business are not apparent. Indications are that work will be started soon on the Lachine-Caughnawaga bridge which should give a substantial piece of work to Dominion Bridge Co. whose plant is in close proximity to the site of the proposed construction.

The major factor in the company's situation is its strong cash position. At the end of October, 1931, cash, call loans and bonds totalled over $6,000,000, and working capital was $7,414,514. There was a big drop in business brought forward into the current year, the balance sheet showing expenditures on uncompleted contracts at $221,412 as compared with $1,579,445 at the end of the previous year.

In the last fiscal year Dominion Bridge paid out $3.50 a share in dividends compared with earnings of $3.23 a share. In the fiscal year which closes Oct. 30, 1932, the company will distribute $2.25 a share on its capital stock.

Amalgamated Electric Operating Status Better

From Our Own Correspondent

MONTREAL—The dominant position which Northern Electric Co. has assumed in the affairs of Amalgamated Electric Corp. is expected to work out favorably for the latter company. Closer co-ordination of production is expected to follow and it is thought that the move will work out to the benefit of both companies.

Five quarterly dividends on the preferred stock of Amalgamated Electric were passed with the result that voting control passed from the common. Northern Electric had obtained sufficient of the preferred to give it virtual control in this way; this situation developed in June last.

Decline in the construction industry affected earnings of Amalgamated Electric which manufactures a wide line of electrical devices for residential and industrial purposes. In 1931 earnings dropped to $12,816 from $75,750 in the previous year and a deficit of $81,713 was brought forward into the current year.

Though there is little improvement apparent as yet in the earning power of the company; from an operating viewpoint prospects are more encouraging.

INVESTMENT SECURITIES
The National City Company
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320 Bay Street TORONTO
Advisory Board
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Sir John Aird
W. A. Black
A. J. Brown, K.C.
Wilmot L. Matthews
F. E. Meredith, K.C.
Lt.-Col. Herbert Molson, C.M.G., M.C.
W. N. Tilley, K.C.
The Hon. J. M. Wilson
600

Salmon Pack in B.C. Just Below 1931 Total

British Columbia's salmon pack up to July 2 is slightly lower than that of the corresponding period of 1931 and much less than the six months' figure of 1930, according to a report issued by the chief supervisor of fisheries for the province. The pack is, however, greater than that in 1928 and 1929.

To July 2, 42,456 cases of 48 pounds each had been packed, as compared with 43,265 and 65,865 cases in 1931 and 1930 respectively. The pack of springs this year is 16,542 cases, greater than that of any other variety. Sockeyes rank second with 14,261 cases, followed by bluebacks 9,818, cohos 1,625, steelhead 112, chums 56 and pinks 42 cases. According to the records this is the first time that springs have usurped sockeyes usual place at the head of the pack.

U.S. Feels Backlash of Lumber Duties

By imposing duties on imports of Canadian lumber, effective June 21, 1932, the United States automatically became liable to be charged a special excise tax of 3 per cent on her exports to Canada. Under a section of the Special War Revenue Act, imports of lumber are only allowed to enter Canada free when imported from a country which admits free of duty similar lumber imported from Canada.

Canada imports a considerable amount of hardwood from United States, the total value of this trade in the calendar year 1931 being about six and a quarter million dollars.

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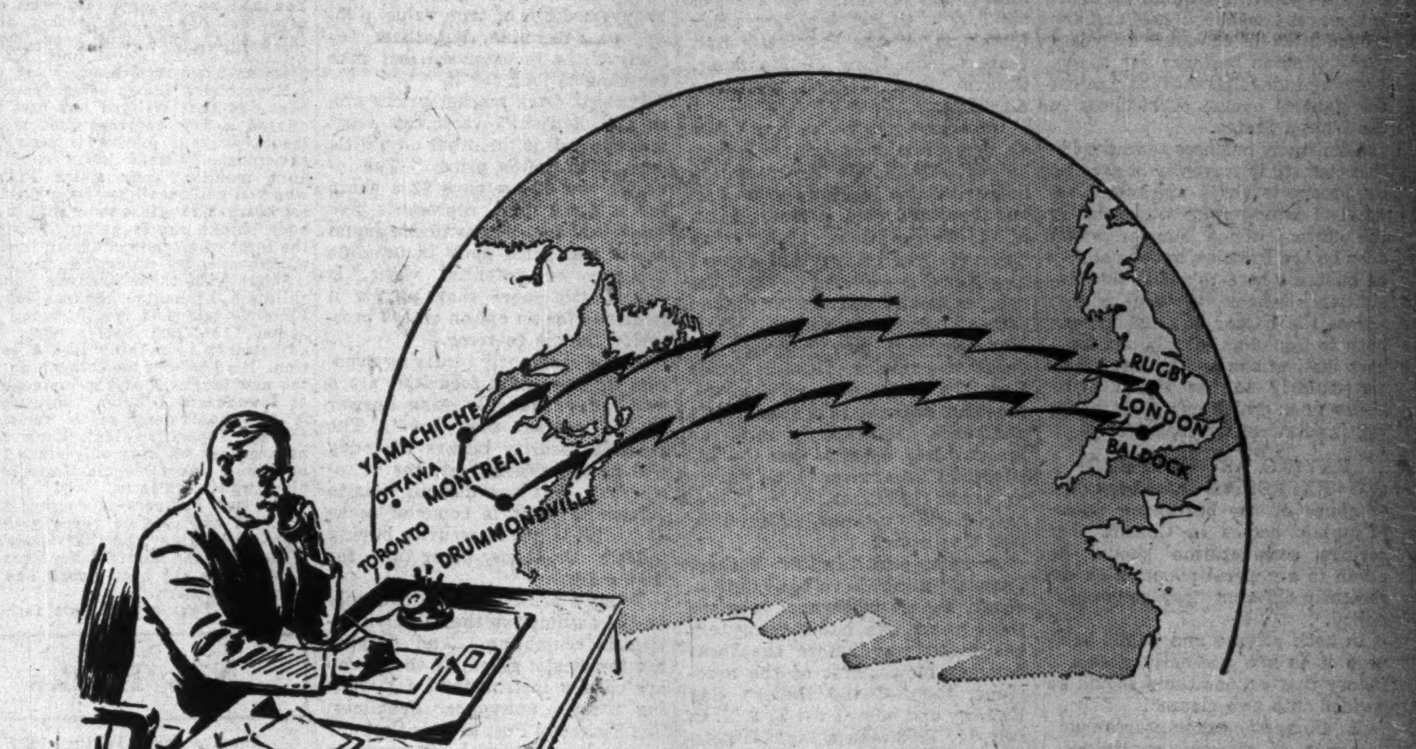

You can now telephone England direct by All-British channels

By co-operation of The Bell Telephone Company of Canada, Canadian Marconi Company and the British Post Office, an All-British telephone service is now established between Canada and the British Isles. Telephone calls between the two countries will now span the Atlantic direct instead of being routed via United States points.

This All-British Service is a fitting complement to the recently inaugurated Trans-Canada Telephone System and, as a great new instrument of Imperial unity, coincides appropriately with the Imperial Economic Conference at Ottawa.

The new All-British route to England consists of The Bell Telephone Company's Long Distance lines through Montreal to the Canadian Marconi transmitting station at Drummondville, Quebec, thence through the air to the British Post Office receiving station at Baldock, near London, England, and from Baldock by Long Distance telephone lines through London to the destination.

From England, the route is now by Long Distance telephone lines through London to the British Post Office transmitting station at Rugby, thence through the air to the Canadian Marconi receiving station at Yamachiche, Quebec, and from Yamachiche by Bell Telephone Long Distance lines through Montreal to the Canadian destination.

Travelling with the speed of light (186,000 miles per second) the voice flashes around this complete route in the fraction of a second, giving instantaneous exchange of speech. Telephoning from Canada to points in the British Isles is now as simple as the ordinary Long Distance call. Rates remain the same; a call to London, England, costs $30 for three minutes' conversation.

Canadian Marconi Company
The Bell Telephone Company of Canada

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Dominion-Scottish Invest. Ltd.	May 31	131,442	164,579	...	0.24	...	28,229	38,574	...	...	...
Wentworth Radio & Auto Supply Co.	April 30	42,787	47,481	...	...	...	41,179	10,457	...	...	...
Canada Packers Ltd.	Mar. 31	384,302	838,112	...	2.01	...	4,073,621	4,111,638	...	...	...

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Brampton	July 18	A. E. Ames & Co.	6%	30-yr.	$108,293	97.65	6.224
Longueuil, Que.	July 19	Bk. Can. Nationale, L. G. Beaubien & Co., Rene T. Leclerc, Ernest Savard	6%	1940	129,700	*100	6%
Windsor, Ont.	July 2	Bank of Commerce	5¼%	....	1,000,000	....	....
Montreal Metropol. Comm.	July	Bank of Montreal and Syndicate	6%	....	1,800,000	....	....
Orillia	July	A. E. Ames & Co.	6%	....	74,563	....	....
Saint John, N.B.	July	City Sinking Fund	6%	15-yr.	200,687	....	....
Provincial—							
Nova Scotia	July 14	Wood, Gundy, Dom. Securities, A. E. Ames, McLeod, Young, Weir, Bell, Gouinlock, Fry, Mills, Spence, Eastern Securities, Nesbitt, Thomson, Royal Securities, Bk. of Montreal, Royal Bank, Can. Bk. of Commerce, Bk. of Nova Scotia	5½%	1934	$1,500,000	100	5½

*Offering price.

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TORONTO, JULY 23, 1932

CANADA GAINS ON U. S. A.

CANADIAN business men who travel in the United States are amazed by the heavy pall of depression gloom which hangs over the business community in that country. It is becoming a commonplace that Canadians don't know what a depression is until they have spent a few days in one of the large American cities. Americans are as despondent now about the future, as they were enthusiastic three years ago.

Perhaps this very attitude of hopelessness is in some degree responsible for the poor showing made by business statistics in that country in the past six months. Six months ago comparative charts prepared for The Financial Post by Babson's Statistical Organization showed that the relatively faster pace set by Canadian business since 1926 had been slowed down and that for the first time in five years the relative physical volume of business in the two countries was about on a par at 15 per cent below the average for the years 1922 to 1925 inclusive.

Since then the picture has changed materially and volume in the United States has slipped steadily back till it now hovers at 1921 levels, while Canadian business has actually gained something over 8 per cent and is currently 25 per cent above 1921 figures. This is the first time since 1927 and the second time in the past 15 years that Canadian business has shown a strong independent trend against the general course of business in the United States.

Admittedly business sentiment in this country is currently buoyed up by prospects for a successful revival of inter-empire trade and by the outlook for a bumper wheat crop on the Prairies, but the ability of business here to resist the pessimistic outlook of our friends across the border is a fine tribute both to Canadian morale and business institutions and perhaps more particularly to the sound principles upon which our great banking institutions are operated.

PAYING AS WE SPEND

SO EXCESSIVE has been the abuse of the borrowing power of public bodies in Canada that serious consideration should be given to a general adoption of the radically different "pay-as-you-go" policy.

In both private and public business it is the presently accepted theory that expenditures should be divided into two classes:

1. Current expenditures on account of current operations, which should be met, in the case of a private individual or company, out of the year's income and, in the case of a government, out of taxation and whatever additional revenues are obtained from natural resources, etc.

2. Capital expenditures, representing investments of a more or less permanent nature. To provide the money for such expenditures it is usual to borrow. In the case of the private company, new capital may be obtained by increasing the amount of partnership capital by selling stock, or by borrowing on the company's promise to pay by issuing bonds which will in time be paid off, ostensibly out of the earnings provided through the new investment. In the case of a public body bonds will be sold and these will be paid for during the life of improvement undertaken.

When a private company borrows to meet deficits or for other current purposes it is taking a step in the direction of bankruptcy. When a government borrows to meet deficits caused by excessive expenditures or a deficiency of tax revenues it is taking the first step toward default.

Most well-managed private businesses are constantly "ploughing back" earnings in reality building up fixed or working capital by making permanent investments out of profits. This strengthens the financial position of the company. But seldom does a public body make capital expenditures out of current funds. In fact, in the present state of public opinion, such a practice would be regarded as taxing the citizens of today for the benefits to be enjoyed largely by the citizens of tomorrow.

This is unfortunately a world in which human nature is as notable for its errors of judgment as for its brilliance of vision. In government, the errors of judgment are more notable than the keenness of vision.

If governments made all capital expenditures out of current funds and took steps to pay off, on a well-formulated basis all existing debts the effect would be over a term of years, to bring the total burden of taxation far below present totals.

But why, the taxpayer will ask, should I be taxed heavily now to pay for a highway that will be used by my sons and daughters? The best answer is simply that only by such a practice can the governments of today be prevented from saddling extravagant debts for unnecessary services upon the taxpayers of tomorrow. The public debts of the Canadian people and the business enterprises they publicly own are around $7,000,000,000 and the major proportion of their taxes go to pay interest on these debts. Another generation enjoyed the prosperity engendered by the expenditure of this money, the present generation pays the bills. To create work for itself, the present generation is going ahead spending freely and putting off upon the next generation the burden of the new debts and largely of the old debts.

The major portion of the capital expenditures made by governments today ought properly to be paid out of the taxes of today. There would soon be an end to extravagant public works campaigns if those who started them had to pay for them.

Discussing this plan last fall at the Canadian Tax Conference, George Wilson, finance commissioner of Toronto, showed that public debts of large cities have grown in the last 25 years at rates as high as 17 times the growth in population. He revealed astonishing savings to be effected from using a cash rather than a credit plan for financing public works and concluded:

> "It is a well-established practice of well-administered cities and towns in Canada to issue debentures for varying terms, ranging from ten to thirty years, to correspond with the expected lifetime or usefulness of the relative work. A simple method of effecting a gradual transition from this system to the "Pay-as-you-Go" plan would be to systematically reduce the term of all new debenture issues to an extent which would not impose an undue burden of additional taxation.
>
> "Any slight increase in the rate of taxation, involved in the adoption of a modified "Pay-as-You-Go" system, would be borne cheerfully by the taxpayers in the knowledge that the economies effected would ultimately result in a stabilized tax rate and consistently balanced capital budgets."

ONTARIO GOES MARITIME

ON JULY 15, 2032, Ontarians yet to be may well look back through the long corridor of time as to an historic occasion to a date just 100 years earlier when Premier Henry drove the last spike of the T. & N. O. Railway, James Bay Extension, at the Province's first seaport, the town of Moosonee. Ontario then became definitely maritime.

Important results may not flow at first from this completion on Friday, July 15, of a transportation link with the sea at James Bay, but there are many pioneers north of the transcontinental railway at Cochrane who believe that a great new North is destined through the decades to rise and cluster around James Bay and Hudson's Bay. However that may be, first inchoate discoveries of coal at James Bay, the large pulp concessions, the rich mineral indications here and there, the water powers, the teeming Bay fisheries and the existence of great rivers little known to most Canadians, give a real basis for this pleasant adventuring into the future.

A book entitled, "In Darkest Canada," might have been written about these wilderness regions three years ago but the mystery has given way before the three hammer blows, first of the aeroplane, then of the Hudson Bay Railway and now of the T. & N. O. July 15, 1932 was a historic occasion and the fact that one of the last fastnesses of the Hudson's Bay Co. has been opened up by the on-moving of civilization was illustrated by the presence at last week's ceremonies of Cree chiefs, Eskimo men and women, Hudson's Bay factors and employees, and sea vessels awaiting the rising of the tide. Modern buildings have already been built and more are to come.

INSURANCE FUND WOULD MEAN INFLATION

ONE Canadian economist, a lukewarm advocate of unemployment insurance, estimates that in good times about $100,000,000 a year would have to be accumulated in order to pay benefits of a dollar a day to unemployed workers in times of business depression. This is, of course, an over-simplification of any workable unemployment insurance scheme but it will serve as a basis for discussion of one important point that has been largely, if not entirely overlooked by those who have advocated unemployment insurance in Canada.

Let us suppose that Canada has an unemployment insurance fund in operation under an independent managing board. Let us suppose that times are good and there is little unemployment so that the fund is accumulating at a rate of $100,000,000 a year. The fund will have to be invested and probably will be invested in government and municipal bonds. Thus the diversion from the spending power of industries and workers of such a large sum of money will provide a ready market for public securities. Public bodies will be able to borrow cheaply and this will give great stimulus to the construction of highways, canals, and other public works. And all this at a time when employment is at its peak. Demand for labor will push up wages and lead to expansion in all directions. In other words inflation will be intensified.

Then will come the inevitable reaction, whether due to collapse from the inflation at home or to causes originating outside of the Dominion. Unemployment will grow and benefits will have to be paid. To pay the benefits it will be necessary to liquidate the securities held. Liquidation of these securities in a time of financial stress will probably involve some loss of capital but apart from that a serious effect would be so to flood the market with government securities that new borrowing will be impossible. Thus new construction work by public authority will have to cease and unemployment will be increased.

Thus the unemployment insurance fund, adumbrated by our leading social economists, will help to intensify both inflation and deflation when its purpose is supposedly to aid in keeping things on an even keel.

Great Britain has avoided this peril simply by having an unemployment insurance scheme that was not insurance at all. The pre-war scheme in Britain never reached sufficiently large proportions to have a real inflationary character; the post-war scheme soon degenerated from insurance to a straight dole paid for out of current taxes rather than out of an accumulated fund.

The peril could be avoided in Canada only by investing the fund outside the Dominion—either in foreign bonds or in call loans in New York. And it takes little imagination to realize what the politicians of Canada would say if our unemployment insurance fund were kept on call in New York. Even the banks, who keep money on call in New York and thus not only strengthen the securities of their depositors but aid in stabilizing the exchange rate, are under constant fire for the practice.

OPTIONS ON PROSPERITY

INVESTMENT psychology is a factor that must be weighed at all times. When stock prices are booming and huge paper profits are to be found on the books of all investors, corporate and individual, most people measure their wealth in terms of the figures in those books. Surpluses achieved by writing up security valuations to boom prices are purely fictitious. They are theoretically realizable but they could not possibly be realized by all investors at once; and for that matter they are seldom taken advantage of by any large number of investors.

Today most corporate and individual investment lists show paper losses and deficits. But these paper losses are no more realized losses than the paper profits were realized profits. Somewhere between the two extremes lies the happy medium of true value, difficult to determine, but there for study if the investor will but take the time to look for it.

Present stock market prices are, as an British investment trust manager put it the other day, little more than option prices. The investor who today pays $2 a share for a stock that represents five times that much in available liquid assets and much more in tangible property of potential value, is doing little more than paying a small fee for an option on the prosperity that is to come.

To the constantly recurring question whether good securities are a buy today the only sane answer is "of course, they are." The sensible security buyers of today will be the wealthy citizens of tomorrow. But how difficult it is to determine what is common sense and what is not in security buying today? Or at any other time, for that matter.

Today's prices are justified only on the assumption that all civilization is crumbling. And defying the terroristic gloom of those who are chiefly instrumental for writing today's newspaper headlines, The Financial Post asserts that our economic and social structure is not in process of complete disintegration. Another generation will smile with as much superiority at our fatalistic ruin psychology of 1932 as they will over our good-humored foolishness of 1929.

FLOATING FETES

LE DEVOIR, Montreal, agrees with the suggestion of The Financial Post that all holidays, except Christmas and Good Friday should be made to fall on a Monday but it points out that this makes no provision for such religious holidays as Ascension Day, Conception Day, etc. Le Devoir feels that the suggestion can be applied only to the ordinary civil holidays. This is quite true, of course, although it may well be that another generation will not be averse to fixing even religious festivals on Monday. Quebec is a special problem, in holidays as in many other factors, and there is no danger of any government attempting to dictate to Quebec, or other Catholic communities, that observe the religious festivals, the dates upon which these festivals shall be observed. But among the holidays that now float around in the middle of the week the following can be made to come upon the nearest Monday without affront to any patriotic or national consideration:

King's Holiday (now June 3).
Empire Day (now May 24).
Confederation Day (now July 1).

Three less floating holidays would be a great help. Consider the King's Birthday, for instance; there is no sound reason for confining the celebration of that holiday to June 3. It is not even legally necessary for the statute makes provision that the King's Birthday may be observed on the birthday or on the day fixed by proclamation for celebration of the birthday of the reigning sovereign.

POST-scripts

WHENEVER a big golf championship is played, it is safe to bet that the newspapers will be filled the next few days with advertisements saying that the champion played the round with Such and Such a golf ball. This reminds us that when the last staff golf game was played by The Financial Post organization we forgot to say what the staff champion played with. It was five years ago, but it is better to give the information late than never.

On looking it up, we find that he won the championship with a practice ball, two repaints and a ball found in the woods to the right of the sixteenth hole.

DISTILLERS in Vancouver say they are as close to 100 per cent Canadian manufacturers as anyone. Their product is made from Canadian rye, put up in bottles made in Medicine Hat, labelled with paper from British Columbia mills printed in Vancouver. Each bottle is in a corrugated paper carton made in Vancouver of B. C. fir; the outside dressing of jute, however, is imported, but the sacks are manufactured in Vancouver. If you're patriotic, you can blame your headache on the jute dressing.

SMELLS are now being utilized to sell merchandise. In a recent test four pairs of hose were shown to a number of American women—one as it came from the factory and the other three scented very faintly. The women were asked to rate the hosiery according to quality. Although the perfume was so faint that only 6 of the 250 women consciously noticed it, 92 per cent picked the scented hose as being of the best quality. "Sell by Smell" may be the slogan next year. A little black narcissus on the next issue of government bonds might help things along.

WHEN an electrical company in the United States rewarded the first three prize winners in its annual arc-welding competition it was particularly appropriate that arc-welded steel took the place of printer's ink and paper. The three prize winning cheques were written in arc-welding on steel plates one-eighth of an inch thick. Each cheque was 24 by 10 inches. Endorsing was carried out in the same manner by the winners and the cheques were accepted by the bank. The latter institution also entered into the spirit of the thing and cancelled the steel cheques by machine gun fire.

THE following letter of a modern father to his daughter appeared in a recent issue of the Wall Street Journal. It needs no comment:

My dear Daughter:

You ask me if your husband should stay on in his present position at an "adjusted" salary, but you forget to tell me what he would do if he didn't. You and he couldn't very well come here just now. Your brother Sheridan's salary has just been "reconsidered," so he moved into his old room at home, and brought his wife.

Your sister Eloise telegraphed the next day that Wilfred has just been offered a new contract that was an insult, so your mother is airing out her room. Wilfred never could endure insults. Your sister Frances, who you will recall has been a private secretary, wrote last week that if anybody thinks she is going to drop to the level of a common typist, they are mistaken, so we expect her any day.

What with those and the younger children, I imagine that as long as Rupert's salary is merely being "adjusted," he had better stay. An adjustment is nothing like a reduction. It's hard for me to keep up with the new language of big business, but as I understand it, an "adjustment" is the equivalent of a raise. Of course, Rupert wouldn't know that; he has been working only since 1928; he should ask some old timer to explain what a raise is.

My own business is coming along fine. It was sold on the courthouse steps last Friday, but there were no bidders, so the sheriff let me keep it. That makes the best month I've had since the upturn.

Your affectionate father.

New Books

Empire Stock-Taking, 1932

L. St. Clare Grondona, whose book, "Empire Stock Taking," 1930, is known to a great many Canadians, has done a good service at the present time by issuing an abridged revision of his original work under the title "Empire Stock Taking, 1932."

The original book was an attempt to accomplish the formidable task of taking stock of Imperial supply and demand in all empire countries. His original book received wide publicity and commendation throughout the Empire because the facts collated and co-ordinated therein were not to be found in any other single work. To have brought this material up-to-date in time to be of use to those attending the Imperial Conference at Ottawa is a timely and excellent accomplishment.

The new volume is considerably condensed, is only a little more than 90 pages in size and costs three shillings and six pence net. It is published by Haycock Press Limited, 80 Fleet Street, London, E. C. 4.

National and World Planning

With economic disturbance rife throughout the world, students of national and world economy will find much food for thought and reflection in the July number of the Annals of the American Academy of Political and Social Science.

"National and World Planning" is the title of this edition of the Annals, and the two dozen articles it contains are actually the proceedings of the 36th annual meeting of the academy, which chose as its general topic this far-reaching subject. As is pointed out in the foreword of this interesting volume, recent developments have forced a realization of the need and usefulness of comprehensive planning in national and world affairs, and that perhaps our modern social machine is now too intricate for automatic operation.

Individual copies are available at $2.00 from the office of the Academy at Concord, New Hampshire.

Contributions to Canadian Economics, 1932

University of Toronto has issued volume four (1932) of Contributions to Canadian Economics.

This is the second volume in the semi--annual series and in addition to a special article by Professor C. R. Fay, on Canadian and Imperial Economic History and one by R. H. Fleming on Thyn Ellice and Company of Schenectady, it contains a select biography in Canadian Economics covering the period June, 1930, to June, 1931. Succeeding volumes will include bibliographies for half yearly periods.

The article by Mr. Fleming traces the history of the North West Company back to one of its main routes and along with other articles by the same author, contributes much to the solution of the different problems of unravelling the history of this important and complex organization. It is particularly important in showing the place of the St. Lawrence in the development of business organization in North America, the significance of London as a trade centre, and the conditions which gave rise to the peculiar elastic character of North West Company organizations. Through preparation and publication of such material, it is hoped to build up knowledge of the peculiarities of Canadian business structure.

The volume is part of the History and Economic Series of University of Toronto studies and is obtainable from the University of Toronto Press at $1.00 per copy.

In the Mail

Too Much Government in Business

Editor, The Financial Post,—

Your editorial of today's issue "Writing Down Debts of Public Ownership" deals with a topic most vital to the Dominion as well as provinces and municipalities of Canada. It is time the people should stop governments from assuming debts and operating business organizations not belonging to the conduct of governments and beyond the capabilities of political administration to operate economically. Canada's domestic difficulties will continue long after the world's depression shall be reasonably adjusted. You say: "public ownership has brought the country to the verge of a serious crisis in one respect" and it is just as true that it will bring it and its lesser divisions to a crisis in many respects.

If the Eighteenth Amendment has corrupted honest administration of law in the United States so, too, has every paternalistic venture mulcted the people in all cases and disgraced them in very many in Canada. The C. N. R. debts are no more colossal to the Dominion of Canada than are those of the Hydro-Electric Power Commission to the Province of Ontario nor like organizations in municipalities. But for the multitude of generally hidden costs that are paid for out of the general revenue of cities the users of power and light would have known the correct costs and would have terminated such ruthless extravagance long before now. Electric railways with but few exceptions gave up in despair and their debts are being carried by the taxpayers and hydro side steps all obligations.

By bookkeeping methods mighty reserves are accumulating to retire Hydro bonds but when the latter shall mature it may be found the reserves have been invested in rural transmission, or such, and the province will refund. In 1910 Ontario had 491,000 h.p. and Quebec had 335,000 h.p. but in 1929 Quebec had 2,595,000 h.p. while Ontario had but 1,952,000 h.p. The choice of industry was to locate where it had control of its costs for power and not being dependent upon the theories of political bureaus.

The defense that politics do not belong in public ownership ventures does not prevent politics from being there. As all money investments are dependent upon the will of governments politics will make appointments of commissioners that will be the agents of the party that appointed them. The caution used in negotiating new hydro deals seems to have been cast aside. Mr. Henry appears to be negotiating alone, in the Canyon Project, although Mr. Cook has made a call evidently to find out what was going on.

The passivity that the owning company exhibits regarding the completion of the work or complying with contracts would indicate the transaction caused it very little uneasiness about results. Maybe, that time will not improve Mr. Henry's belief in the wisdom of securing additional power, just now, or that the Province's credit will be much improved by the addition of an asset of the power plant at the Canyon.

HENRY H. FERNALD.

Welland, Ont.
July 9, 1932.

Gold Standard Best League Report Holds

Gold Delegation Votes For Quick Return—Sterling Group Dissents

First of a Series of Articles on the League of Nations' Gold Report

"At the present stage of world economic development, the gold standard remains the best available monetary mechanism," states the final report of the League of Nations Gold Delegation, published in June of this year. "The delegation is of the opinion," the report continues, "that, granted the general acceptance of certain guiding principles, the gold standard is capable of functioning in such a way as to achieve most of the advantages of stability and justice claimed by alternative standards more broadly based on commodities other than gold."

The Gold Delegation was appointed by the Financial Committee of the League of Nations in the summer of 1929 to "examine into and report upon the causes and fluctuations in the purchasing power of gold and their effect upon the economic life of the nations." Two interim reports have been issued, the first dealing with the production of and the demand for gold, and the second with the distribution of gold reserves. In addition, four supplementary volumes have been issued and the final report which is here summarized.

Chief Countries Represented

All the chief world countries were represented on the delegation by outstanding economists, all of whom, with the exception of Professor Gustav Cassel, of the University of Stockholm, signed the report. Professor Cassel refused to sign the report on the ground that the many reservations to which such an endorsement would be subject would be extremely difficult to state. Notes of dissent on specific sections of the report are appended from Professor M. J. Bonn, of Berlin, G. B. Roberts, of the National City Bank, New York, Guido Jung, of Rome, and a combined and detailed dissention by Albert Janssen, of the University of Louvain, Sir Reginald Mant and Sir Henry Strakosch, of London, Eng.

The report contains a survey of the gold standard since the war and of the purchasing power of gold as well as listing the conclusions which were arrived at by the delegation. Summaries of the notes of dissention from these statements and findings will be found at the conclusion of this and future articles on the report.

Gold Standard Essential

Many difficulties are seen by the delegation which must be solved before a general reacceptance of the gold standard can be made possible but the delegation as a whole takes the stand that a return to the gold standard is essential. Four primary requirements are necessary, according to the report, before the standard can be brought into successful operation: (1) lowering of tariffs and other restrictions on international trade; (2) readjustment of war debts and reparations so as to restore investment confidence as a basis for the normal international flow of capital; (3) changes in central bank policies so as to permit the influence of international gold movements to be felt promptly in prices and credit conditions in each country; (4) rigorous balancing of governmental budgets, and appropriate downward readjustments of wages and costs of living in each nation.

On governments and central banks the report places the onus to take steps to introduce these measures and to fulfill the requirements and conditions explained in the foregoing paragraph. The earlier they do so, the report declares, the sooner will be removed from monetary instability which has become one of the major causes of further economic deterioration.

In urging the return to the gold standard, the report stresses the necessity for international economic co-operation. It points out that countries cannot hope to escape periods of depression by self-isolation although collectively they can hope to lessen them. It is the opinion of the delegation that it is imperative that the restrictive commercial policies adopted by governments today should be radically changed and an adequate freedom be permitted, in the flow, not of credit alone, but of goods.

Delegation Members Differ

With regard to the return of the gold standard, the report and its attached notes of dissent show two very divided groups. The attitude of France and the other European countries still nominally on the gold standard is incorporated in the report proper while the dissenting notes show the influence of the British and Scandinavian countries which at present form the sterling group. The French group, while considering international co-operation the key to a maintenance of the gold standard, places its reliance for the present on general price deflation, and the British group, on the other hand, casts its vote for stabilization of the existing currencies with the initial step of raising of the price level.

Dissenters

Summaries of the notes of dissent appended to the report follow:

Prof. M. J. Bonn—Considers that the problem of war debts and reparations is the main cause of present world difficulties.

G. B. Roberts—Differs with specific conclusions drawn in the section of the report dealing with the purchasing power of gold. These will be dealt with in a succeeding article.

Guido Jung—Considers the world crisis has more political and ethical causes than monetary and that too much stress has been laid in the report on the possibility of monetary changes curing the ills of the world.

Albert Janssen, Sir Reginald Mant and Sir Henry Strakosch—Disassociate themselves with the finding of the report regarding the return to the gold standard. They would work to restore the world's well-being by following out four proposals:

1. Early settlement of war debts and reparations.
2. Removal, as far as possible, of restraints on international trade.
3. A concerted attempt on the part of the gold standard countries to restore wholesale commodity prices to 1928 levels.
4. A similar attempt by the paper-standard countries, under the leadership of sterling, to stabilize their internal price levels.

In challenging the statement of the delegation that the gold standard is the best available monetary mechanism, these members declare: "We would only go so far as to say that the gold standard is the best mechanism if properly managed."

They disassociate themselves with the sections of the report dealing with the subjects of: Causes and breakdown of the gold standard; and the objective of Monetary Policy. These sections and objections will be dealt with in future articles.

Gustav Cassel—Mr. Cassel refused to sign the report on the grounds that in doing so he would be required to make too many reservations. In his personal report he summarizes the whole situation, agreeing in the main with the theories set down by Messrs. Janssen, Mant and Strakosch.

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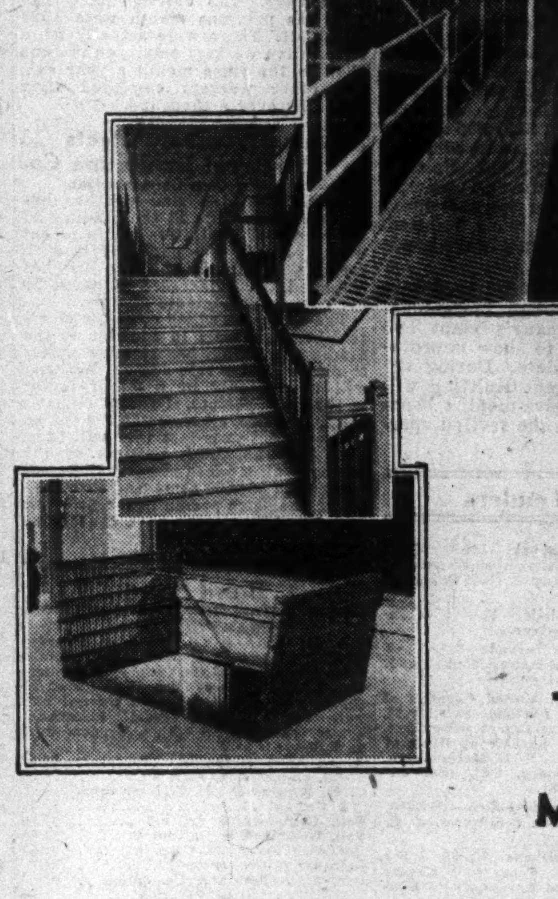

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Business Conditions in Canada

The Week in Business

Commodity Prices Continue Upward Trend

Tourist Traffic Should Improve Later

Business Awaits Decisions from Empire Parley

FOR several weeks now continued improvement in commodity prices overshadows all other indices bearing on the business outlook. In Canada, announcement of the signing of the St. Lawrence waterways treaty, the arrival of the Imperial Conference and the continued good reports of the western wheat crop have combined to create an improved sentiment throughout the country in the face of lower indices for many lines of business activity.

Lack of demand and prospects of a bumper crop have kept grain from being affected by the general rise in prices but, as far as Canada is concerned, some consolation can be found in the fact that prices in Winnipeg have continued much steadier than in Chicago.

More seasonable weather of the past two weeks in Eastern Canada has resulted in a late demand for summer goods, particularly clothing, and western retailers are now buying liberally in anticipation of business following the harvest.

* * *

TOURIST traffic from the United States has been less than that of a year ago but present indications are that the influx is speeding up. This influx, combined with the additional inducement for Canadians to spend their holidays in the Dominion owing to the prevailing discount on Canadian funds should prove some impetus to business. Latest available figures show automobile tourist entries along the border to be some 25 per cent lower at most points. A heavy influx in August during the Imperial Conference is expected but those who are closely in touch with this activity report that comparatively very little new money will be brought into the country this year.

Although the bond market is in the usual summer doldrums, prices have been steady during the past week in face of light demand. Long term railway and high class provincial bonds have changed hands on slightly more than a five per cent basis.

* * *

THERE seems to be a tendency throughout the country to await the outcome of the Ottawa conference before taking any definite steps in a business way and any favorable agreement which emanates therefrom will have a salutary effect on business.

So little is known as to the official attitude Canada will adopt at the conference that definite decisions on matters of empire currency, the fate of tariff schedules and action on such matters as currency valuations—all of which have a most dominating influence on trade, will be of substantial value to Canadian business. If the general outcome of the conference is helpful and satisfactory there is little question that business in this country will receive a helpful fillip in the fall and winter months of the year. If not, prognosticators in the United States prophesy that Canadian business will decline from the level at which it has now been maintained since the first of the year.

Car Loadings for the week ended July 9 amounted to 39,053 cars, an increase over the previous week of 2,781, but not sufficient to offset the effect of the holiday and the index number dropped from 66.77 to 61.93. The drop was mainly caused by a large falling off in the western division from 82.49 to 69.09 while the eastern division only dropped from 59.77 to 58.57.

EARLY FIGURES SHOW SLACKENING IN JUNE BUSINESS

Sentiment Improves But Preliminary Data Shows Decline

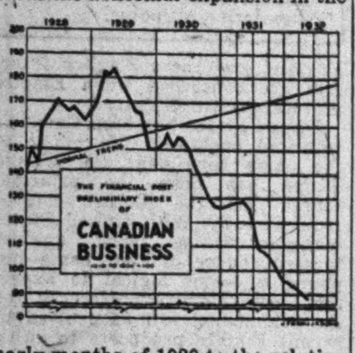
By SYDNEY B. SMITH

The statistical background of Canadian business conditions was still unfavorable in June according to preliminary data received to the present time.

Only seven out of the eighteen factors included in The Financial Post preliminary index showed gains in June over the preceding month. The index accordingly dropped to 88.0 compared with 90.1 in May. As the index is based on the average for the six years from 1919 to 1924, it will be seen that business operations were at a low ebb in June.

Three-Year Decline

The decline aside from minor interruptions in the early months of 1930 and 1931, has been continuous for three years. It is a far cry from the abnormal expansion in the early months of 1929 to the relative inactivity of recent months. The intensity and the duration of the decline lead to hopes that a reversal of the trend may develop within a reasonable time.



Tentative results attained at Lausanne and the possibilities of the Imperial Economic Conference now meeting at Ottawa have brightened the speculative outlook. The announcement regarding the progress made in the negotiations toward a treaty providing for the construction of the St. Lawrence waterway was also a contributing factor to the more optimistic feeling on the stock markets.

Statistical Picture Poor

The actual situation as measured by the developments in the principal industries during June was not of such a nature as to inspire confidence.

The primary iron and steel industry operated at lower levels. Pig iron and steel were produced at greatly reduced volume compared with the preceding months. Some recession is normal for June but in this case the decline was greatly in excess of the seasonal tendency. The production of motor cars at 7,112 was less than the 8,221 units produced in May, but after seasonal adjustment a slight gain was indicated. Output from January to May was greatly below the same months of 1931, but production in June was in excess of June of last year when 6,835 units were produced. Owing to the low levels of many factors in the latter part of 1931, comparisons based on the 12-month term will tend to become more favorable.

Factors showing the trend of construction were down in June. The award of contracts was $12,154,700 compared with $14,186,000 in May, the decline being greater than normal for the season. The list of new contracts was limited, with no contract valued greater than $1,000,000. Building permits at $4,386,000 showed a decline greater than normal for the season.

Lumber Exports Improve

Exports of lumber made a good showing in June, the total being 110,685,000 feet compared with 62,968,000 feet in May, the gain being in part accounted for by the effort to effect shipment to the American market before the new tariff was applied. The output of newsprint at 161,368 tons showed further decline in June a favorable feature being shipments in excess of output resulting in a reduction of mill stocks.

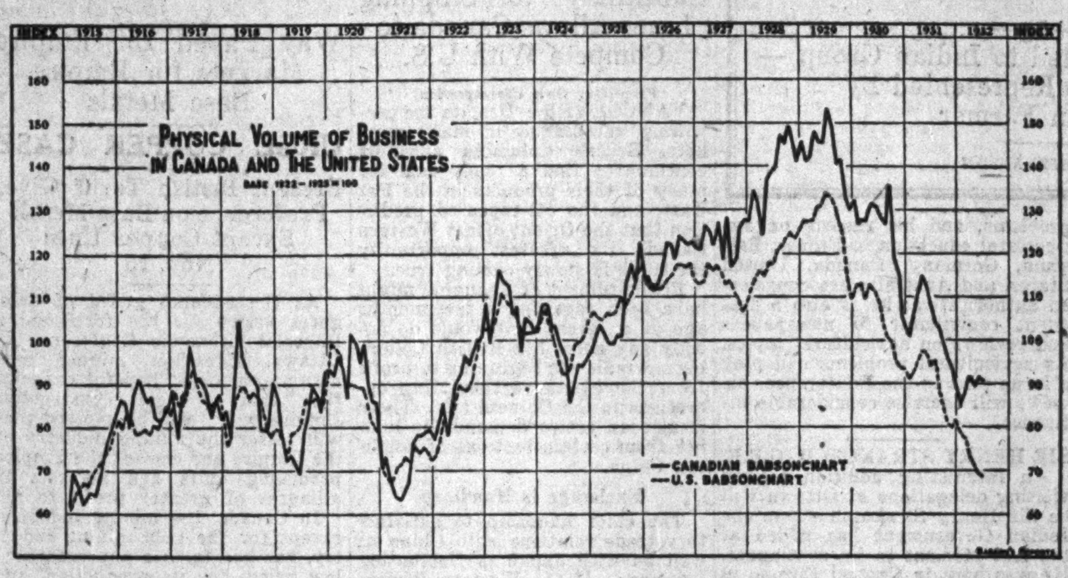
The output of sugar and flour showed gains in the last period for which statistics are available. The manufacture of sugar in the four-week period ended June 18 was 73,722,000 pounds compared with 58,751,000 in the preceding period.

Gold Continues Expansion

The feature of the mining section continues to be the expansion in gold production. Receipts of gold at the Mint from Canadian mines were 273,351 ounces, a new high record. The exports of copper were greater in June than in any month since January, the total being 6,896,200 pounds compared with 6,884,200 pounds in May. Other mineral production factors showed decline, the exports of nickel being 2,279,800 pounds compared with 3,346,200 pounds. Zinc exports were 8,103,400 pounds compared with 18,126,500 pounds in May.

Carloadings in June numbered 185,181 a moderate gain over the 183,728 of May, while after seasonal adjustment a decline would be indicated. External trade continued at a low level, a slight gain being shown in exports, while imports showed recession. The balance of trade was favorable for the first month since February.

Canadian Business Relatively Better Than U.S.A.



◇Remarkable steadiness has been maintained in the physical volume of Canadian business in the first six months of 1932 and for the first time in five years, Canadian business has struck out with an upward trend quite independently of the U. S. A. graph.

The above chart shows comparative trends in both countries as compiled for The Financial Post by Babson's Statistical Organization. It will be noticed that U. S. A. business is currently hovering at 1921 levels while Canadian business is currently 25 per cent above.

Canada Business Gains While U. S. A. Slumps

Comparative Figures Show Activity in U.S.A. at 1921 Level While Dominion Curve is 25 Per Cent Higher

Statistical evidence and general business sentiment alike have indicated for many weeks that Canadians are taking the depression less seriously than is the United States. Not only is the volume of production in this country at a higher level, comparatively, than similar figures in the U.S.A., but Canadian business generally is looking to the future with considerably more confidence than are business men in the States, who have been living in an atmosphere of gloom which amazes most Canadians when they visit the big cities of the United States.

To get an accurate statistical picture of the volume of business in both countries, The Financial Post asked Babson's Statistical Organization to bring up-to-date a chart which puts on a comparative basis the physical volume of production in the two countries. This chart was first published in The Financial Post in July, 1929, and has since been reproduced each year in The Financial Post Business Year Book.

Follows Independent Course

The dominant feature of the chart as revised to June, 1932, is that for five months now Canadian business has been following an upward and independent course while the United States curve has been dropping steadily downward. This is the first time since the last quarter of 1927 and the second time since the record was available that the two curves (except for minor monthly fluctuations) have failed to correspond.

For years it has been assumed by students of business trends as between the two countries that the course of Canadian business would follow that of the United States and indeed for the ten-year period, 1915 to 1925, this assumption was closely borne out by the comparative chart published herewith and which reveals the Canadian business curve lagging consistently behind that of the United States with but minor deviations.

New Trend in 1927

Then in 1927 a new trend was introduced. Canadian business started on the upswing nearly three months before the United States curve began to rise and from then until the middle of 1929 the relative growth of Canadian business was far in excess of the corresponding expansion in U. S. business. Thus at the peak of the 1929 prosperity period, Canadian business stood 53 per cent above the average for the 1922-25 period while on the same basis business volume in the United States had risen but 32 per cent.

Since that time both curves have slumped with intermittent regularity, but evidences of a lag in the change of Canadian business as compared with that of the United States have grown smaller and smaller. Early in each year since 1929, the Canadian curve has made a determined stand against the downward trend but as unsatisfactory crop conditions came into the picture, heavy declines were registered which coincided largely with the trend in the United States. Thus at the beginning of 1932, the two curves came within a few points of each other for the first time in four years. At that time the U.S. curve had dropped 18 points below the 1922-25 average while the Canadian curve was 15 points below.

Canada Makes Gain in '32

Since the beginning of 1932 the Canadian curve has made a net gain of over 8 per cent while business volume in the United States has dropped 15 per cent. This brings the level of business in the United States to 1921 levels, while current activity in Canada is 25 per cent above the 1921 mark.

Whether or not the Canadian curve may be expected to eventually follow its old-time precedents and subsequently slump to the low levels now reached by business in the United States, is a matter of keenest interest to business men, particularly to those who carry on business in both countries. With many highly favorable factors such as excellent wheat crop prospects and the forthcoming Imperial Conference, there seems good reason to hope that this flattening out of the Canadian curve is something which will be maintained and even improved upon in the next six months.

Should a similar flattening out in the United States curve appear it would of course be a highly important omen for world recovery and would doubtless be paralleled by a similar gain in the Canadian curve. That Canadian business has proved itself capable of sustaining an independent movement for so many months duration is in itself of course a significant event.

Conference Looms Large

Very considerable importance as to the future trend of business in Canada, is being attached to the results of the Imperial Conference. This is indicated by the following comment made to The Financial Post by F. Gardiner Perry, director of research, Babson's Statistical Organization. He says:

> "It is quite possible that the results of your Imperial Conference will be such that you will avoid the development of such low levels of activity as we are unfortunate enough to be experiencing at the present time. On the other hand, should that conference fail to open additional opportunities for Canadian business, lower levels than that of current figures are possible, in our opinion."

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (July 9)	39,053	43,649	1,114,182	1,302,589
C.P.R. gross earn. (July 14)	$ 2,160,000	$ 2,778,000	$ 62,020,000	$ 77,499,000
C.N.R. gross earn. (July 14)	$ 2,661,638	$ 3,376,180	$ 75,414,293	$ 94,846,840
	Monthly			
C.P.R. net earn. (May)	$ 737,365	$ 1,074,249	$ 3,673,263	$ 4,886,535
C.N.R. net earn. (May) ..	$ 731,794	$ 440,689	$ 1,180,818	$ 1,434,040
Iron and Steel—				
Pig iron, tons (May)	13,339	50,511	69,038	243,400
Steel, tons (May)	29,239	75,235	162,370	406,272
Automobiles prod. No. (May)	8,221	12,738	32,557	59,250
" exports, No. (May)	374	1,569	2,317	9,367
Construction—				
Building Permits (May) ..	$ 5,289,506	$ 12,115,291	$ 18,190,794	$ 50,356,550
Contracts (June)	$ 12,154,700	$ 29,793,400	$ 74,761,200	$ 162,937,600
Newsprint—				
Production, tons (June) ..	161,368	193,971	1,004,248	1,138,321
Exports, tons (June)	155,895	189,738	938,446	1,025,672
Sugar—				
Imports, raw, lbs. (May) ...	98,571,500	144,866,300	268,411,800	307,303,400
Melt. & ship., lbs.	75,005,015	72,938,181	§282,554,851	324,727,425
Manufactured, lbs.*	73,721,634	69,359,926	§273,800,533	311,551,974
Flour—				
Production, bbls. (May)	1,040,693	1,183,280	4,781,163	5,527,658
Wheat flour exp., bbls. (June)	570,861	490,294	2,372,226	2,665,258
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (June)..	110.68	86.85	408.07	459.38
Boots & shoes, pr. (May) ...	1,656,088	1,740,792	7,570,393	7,402,528
Petroleum, imp. crude, gal. (May)	109,520,000	107,210,000	337,031,589	346,980,908
Cotton, imp., raw, lbs. (May)	12,463,000	8,405,000	42,507,000	40,938,000
Rubber, raw, imp., lbs. (May)	3,171,000	6,155,000	20,322,892	25,684,491
Coal, imports tons (May) ..	1,039,887	1,191,017	3,432,136	4,167,411
Gasoline sales, gals., (Mar.)	27,663,888	....	81,787,845	....
Trade—				
Imports (June)	$ 40,314,224	$ 52,508,534	$ 241,611,028	$ 353,898,594
Exports (May)	$ 40,945,490	$ 54,348,421	$ 223,062,711	$ 291,655,503
Wheat exports, bus. (June)	15,857,427	20,783,219	68,206,072	87,886,709
Labor—				
Employment Index (May) .	87.5	102.2	....	....
Electric Power—Output—				
M. Kilowatt hours (May) ...	1,273,519	1,365,786	6,747,850	7,022,142
Finance—				
Failures, No. (May)	204	163	1,061	944
Failures, Liabilities (May) ...	$ 3,148,067	$ 2,970,416	$ 17,427,169	$ 17,996,421
Bank Debits† (May)	$ 2,175,000	$ 3,171,603	$ 10,334,024	$ 13,731,606
Bond sales (June)	$ 20,565,444	$ 52,235,397	$ 161,246,484	$ 326,403,511
Insurance sales (May)	$ 30,998,000	$ 41,314,000	$ 177,570,000	$ 215,275,000
Automobile Financing:				
Used cars (May)	$ 1,768,939	$ 2,877,442	$ 5,739,999	$ 10,135,446
New cars (May)	$ 2,025,498	$ 3,439,738	$ 6,020,723	$ 10,536,332

*Four weeks' period, May 28 to June 18. §Jan. 1 to June 18.

†(000's omitted).

EARLY REPORTS RECORD DECLINE IN TOURIST TRADE

Prospects for Later Traffic Are Encouraging, However

Preliminary reports from important ports of entry from the United States indicate that automobile tourist traffic this year was running about 20 per cent below that of a year ago up to June 15, the only exceptions being the Maritimes, which actually records an increase, and British Columbia, which is only slightly down, and is above 1929 figures. The number of Canadian cars leaving the country to tour in the United States has been severely affected by the prevailing rate of exchange.

Ontario points, with the exception of Walkerville, appear to be hardest hit, Fort Erie, Niagara Falls and Windsor recording losses of automobile traffic of about 25 per cent. Reduced ferry rates at Fort Erie have increased traffic by that route at the expense of the Peace Bridge.

Manitoba traffic from the United States is down considerably and the opening of the Trans-Canada highway connecting with Kenora, Ontario, combined with the premium on United States funds has greatly reduced the number of tourists leaving Manitoba for the United States. Opening of the International Peace Gardens this month should boost later returns from this area.

British Columbia figures for the first four months of the year, while slightly below 1931, record good volume and are ahead of 1929, which was considered a good year. Prospects for the season are reported as good with lesser demand for long-term touring permits.

Increase in Maritimes

St. Stephen, N.B., only Maritime point reporting, records traffic on a part with last year with expectation of increasing volume as indicated by enquiries received by tourist offices throughout Nova Scotia and New Brunswick.

Quebec points all record decreases but Noyan, one of the entry ports for Montreal, reports current traffic heavy with indications of a substantial increase over last year's figures before the end of the season. This point suffered earlier in the season due tothe poor condition of the roads.

The attractive rate of exchange and the fact that the Imperial Conference at Ottawa should draw many visitors from the United States in August give rise to the belief that automobile tourist traffic will be increased during the remaining summer months and will compare more favorably with 1931 when the final figures are published.

New Claims in New Brunswick

The claim-recording division of the New Brunswick Department of Lands and Mines reports the filing of several new claims along Ryan Brook following the discovery of an outcropping of gold ore. An assay promises $17 of gold to the ton.

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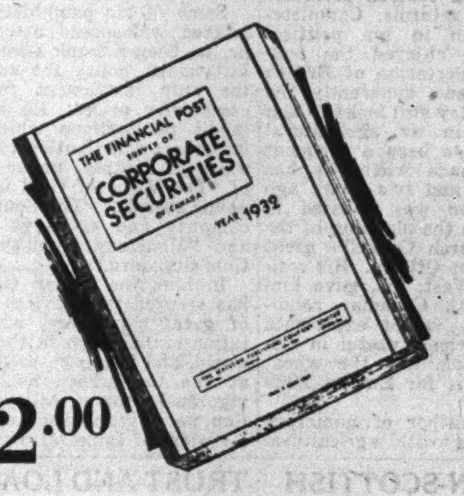

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TORONTO, JULY 23, 1932

CANADA GAINS ON U. S. A.

CANADIAN business men who travel in the United States are amazed by the heavy pall of depression gloom which hangs over the business community in that country. It is becoming a commonplace that Canadians don't know what a depression is until they have spent a few days in one of the large American cities. Americans are as despondent now about the future, as they were enthusiastic three years ago.

Perhaps this very attitude of hopelessness is in some degree responsible for the poor showing made by business statistics in that country in the past six months. Six months ago comparative charts prepared for The Financial Post by Babson's Statistical Organization showed that the relatively faster pace set by Canadian business since 1926 had been slowed down and that for the first time in five years the relative physical volume of business in the two countries was about on a par at 15 per cent below the average for the years 1922 to 1925 inclusive.

Since then the picture has changed materially and volume in the United States has slipped steadily back till it now hovers at 1921 levels, while Canadian business has actually gained something over 8 per cent and is currently 25 per cent above 1921 figures. This is the first time since 1927 and the second time in the past 15 years that Canadian business has shown a strong independent trend against the general course of business in the United States.

Admittedly business sentiment in this country is currently buoyed up by prospects for a successful revival of inter-empire trade and by the outlook for a bumper wheat crop on the Prairies, but the ability of business here to resist the pessimistic outlook of our friends across the border is a fine tribute both to Canadian morale and business institutions and perhaps more particularly to the sound principles upon which our great banking institutions are operated.

PAYING AS WE SPEND

SO EXCESSIVE has been the abuse of the borrowing power of public bodies in Canada that serious consideration should be given to a general adoption of the radically different "pay-as-you-go" policy.

In both private and public business it is the presently accepted theory that expenditures should be divided into two classes:

1. Current expenditures on account of current operations, which should be met, in the case of a private individual or company, out of the year's income and, in the case of a government, out of taxation and whatever additional revenues are obtained from natural resources, etc.
2. Capital expenditures, representing investments of a more or less permanent nature. To provide the money for such expenditures it is usual to borrow. In the case of the private company, new capital may be obtained by increasing the amount of partnership capital by selling stock, or by borrowing on the company's promise to pay by issuing bonds which will in time be paid off, ostensibly out of the earnings provided through the new investment. In the case of a public body bonds will be sold and these will be paid for during the life of improvement undertaken.

When a private company borrows to meet deficits or for other current purposes it is taking a step in the direction of bankruptcy. When a government borrows to meet deficits caused by excessive expenditures or a deficiency of tax revenues it is taking the first step toward default.

Most well-managed private businesses are constantly "ploughing back" earnings in reality building up fixed or working capital by making permanent investments out of profits. This strengthens the financial position of the company. But seldom does a public body make capital expenditures out of current funds. In fact, in the present state of public opinion, such a practice would be regarded as taxing the citizens of today for the benefits to be enjoyed largely by the citizens of tomorrow.

This is unfortunately a world in which human nature is as notable for its errors of judgment as for its brilliance of vision. In government, the errors of judgment are more notable than the keenness of vision.

If governments made all capital expenditures out of current funds and took steps to pay off, on a well-formulated basis all existing debts the effect would be over a term of years, to bring the total burden of taxation far below present totals.

But why, the taxpayer will ask, should I be taxed heavily now to pay for a highway that will be used by my sons and daughters? The best answer is simply that only by such a practice can the governments of today be prevented from saddling extravagant debts for unnecessary services upon the taxpayers of tomorrow. The public debts of the Canadian people and the business enterprises they publicly own are around $7,000,000,000 and the major proportion of their taxes go to pay interest on these debts. Another generation enjoyed the prosperity engendered by the expenditure of this money, the present generation pays the bills. To create work for itself, the present generation is going ahead spending freely and putting off upon the next generation the burden of the new debts and largely of the old debts.

The major portion of the capital expenditures made by governments today ought properly to be paid out of the taxes of today. There would soon be an end to extravagant public works campaigns if those who started them had to pay for them.

Discussing this plan last fall at the Canadian Tax Conference, George Wilson, finance commissioner of Toronto, showed that public debts of large cities have grown in the last 25 years at rates as high as 17 times the growth in population. He revealed astonishing savings to be effected from using a cash rather than a credit plan for financing public works and concluded:

"It is a well-established practice of well-administered cities and towns in Canada to issue debentures for varying terms, ranging from ten to thirty years, to correspond with the expected lifetime or usefulness of the relative work. A simple method of effecting a gradual transition from this system to the "Pay-as-you-Go" plan would be to systematically reduce the term of all new debenture issues to an extent which would not impose an undue burden of additional taxation.

"Any slight increase in the rate of taxation, involved in the adoption of a modified "Pay-as-You-Go" system, would be borne cheerfully by the taxpayers in the knowledge that the economies effected would ultimately result in a stabilized tax rate and consistently balanced capital budgets."

ONTARIO GOES MARITIME

ON JULY 15, 2032, Ontarians yet to be may well look back through the long corridor of time as to an historic occasion to a date just 100 years earlier when Premier Henry drove the last spike of the T. & N. O. Railway, James Bay Extension, at the Province's first seaport, the town of Moosonee. Ontario then became definitely maritime.

Important results may not flow at first from this completion on Friday, July 15, of a transportation link with the sea at James Bay, but there are many pioneers north of the transcontinental railway at Cochrane who believe that a great new North is destined through the decades to rise and cluster around James Bay and Hudson's Bay. However that may be, first inchoate discoveries of coal at James Bay, the large pulp concessions, the rich mineral indications here and there, the water powers, the teeming Bay fisheries and the existence of great rivers little known to most Canadians, give a real basis for this pleasant adventuring into the future.

A book entitled, "In Darkest Canada," might have been written about these wilderness regions three years ago but the mystery has given way before the three hammer blows, first of the aeroplane, then of the Hudson Bay Railway and now of the T. & N. O. July 15, 1932 was a historic occasion and the fact that one of the last fastnesses of the Hudson's Bay Co. has been opened up by the on-moving of civilization was illustrated by the presence at last week's ceremonies of Cree chiefs, Eskimo men and women, Hudson's Bay factors and employees, and sea vessels awaiting the rising of the tide. Modern buildings have already been built and more are to come.

INSURANCE FUND WOULD MEAN INFLATION

ONE Canadian economist, a lukewarm advocate of unemployment insurance, estimates that in good times about $100,000,000 a year would have to be accumulated in order to pay benefits of a dollar a day to unemployed workers in times of business depression. This is, of course, an oversimplification of any workable unemployment insurance scheme but it will serve as a basis for discussion of one important point that has been largely, if not entirely overlooked by those who have advocated unemployment insurance in Canada.

Let us suppose that Canada has an unemployment insurance fund in operation under an independent managing board. Let us suppose that times are good and there is little unemployment so that the fund is accumulating at a rate of $100,000,000 a year. The fund will have to be invested and probably will be invested in government and municipal bonds. Thus the diversion from the spending power of industries and workers of such a large sum of money will provide a ready market for public securities. Public bodies will be able to borrow cheaply and this will give great stimulus to the construction of highways, canals, and other public works. And all this at a time when employment is at its peak. Demand for labor will push up wages and lead to expansion in all directions. In other words inflation will be intensified.

Then will come the inevitable reaction, whether due to collapse from the inflation at home or to causes originating outside of the Dominion. Unemployment will grow and benefits will have to be paid. To pay the benefits it will be necessary to liquidate the securities held. Liquidation of these securities in a time of financial stress will probably involve some loss of capital but apart from that a serious effect would be so to flood the market with government securities that new borrowing will be impossible. Thus new construction work by public authority will have to cease and unemployment will be increased.

Thus the unemployment insurance fund, adumbrated by our leading social economists, will help to intensify both inflation and deflation when its purpose is supposedly to aid in keeping things on an even keel.

Great Britain has avoided this peril simply by having an unemployment insurance scheme that was not insurance at all. The pre-war scheme in Britain never reached sufficiently large proportions to have a real inflationary character; the post-war scheme soon degenerated from insurance to a straight dole paid for out of current taxes rather than out of an accumulated fund.

The peril could be avoided in Canada only by investing the fund outside the Dominion—either in foreign bonds or in call loans in New York. And it takes little imagination to realize what the politicians of Canada would say if our unemployment insurance fund were kept on call in New York. Even the banks, who keep money on call in New York and thus not only strengthen the securities of their depositors but aid in stabilizing the exchange rate, are under constant fire for the practice.

OPTIONS ON PROSPERITY

INVESTMENT psychology is a factor that must be weighed at all times. When stock prices are booming and huge paper profits are to be found on the books of all investors, corporate and individual, most people measure their wealth in terms of the figures in those books. Surpluses achieved by writing up security valuations to boom prices are purely fictitious. They are theoretically realizable but they could not possibly be realized by all investors at once; and for that matter they are seldom taken advantage of by any large number of investors.

Today most corporate and individual investment lists show paper losses and deficits. But these paper losses are no more realized losses than the paper profits were realized profits. Somewhere between the two extremes lies the happy medium of true value, difficult to determine, but there for study if the investor will but take the time to look for it.

Present stock market prices are, as an British investment trust manager put it the other day, little more than option prices. The investor who today pays $2 a share for a stock that represents five times that much in available liquid assets and much more in tangible property or potential value, is doing little more than paying a small fee for an option on the prosperity that is to come.

To the constantly recurring question whether good securities are a buy today the only sane answer is "of course, they are." The sensible security buyers of today will be the wealthy citizens of tomorrow. But how difficult it is to determine what is common sense and what is not in security buying today? Or at any other time, for that matter.

Today's prices are justified only on the assumption that all civilization is crumbling. And defying the terroristic gloom of those who are chiefly instrumental for writing today's newspaper headlines, The Financial Post asserts that our economic and social structure is not in process of complete disintegration. Another generation will smile with as much superiority at our fatalistic ruin psychology of 1932 as they will over our good-humored foolishness of 1929.

FLOATING FETES

LE DEVOIR, Montreal, agrees with the suggestion of The Financial Post that all holidays, except Christmas and Good Friday should be made to fall on a Monday but it points out that this makes no provision for such religious holidays as Ascension Day, Conception Day, etc. Le Devoir feels that the suggestion can be applied only to the ordinary civil holidays. This is quite true, of course, although it may well be that another generation will not be averse to fixing even religious festivals on Monday. Quebec is a special problem, in holidays as in many other factors, and there is no danger of any government attempting to dictate to Quebec, or other Catholic communities, that observe the religious festivals, the dates upon which these festivals shall be observed. But among the holidays that now float around in the middle of the week the following can be made to come upon the nearest Monday without affront to any patriotic or national consideration:

King's Holiday (now June 3).
Empire Day (now May 24).
Confederation Day (now July 1).

Three less floating holidays would be a great help. Consider the King's Birthday, for instance; there is no sound reason for confining the celebration of that holiday to June 3. It is not even legally necessary for the statute makes provision that the King's Birthday may be observed on the birthday or on the day fixed by proclamation for celebration of the birthday of the reigning sovereign.

POST-scripts

WHENEVER a big golf championship is played, it is safe to bet that the newspapers will be filled the next few days with advertisements saying that the champion played the round with Such and Such a golf ball. This reminds us that when the last staff golf game was played by The Financial Post organization we forgot to say what the staff champion played with. It was five years ago, but it is better to give the information late than never.

On looking it up, we find that he won the championship with a practice ball, two repaints and a ball found in the woods to the right of the sixteenth hole.

DISTILLERS in Vancouver say they are as close to 100 per cent Canadian manufacturers as anyone. Their product is made from Canadian rye, put up in bottles made in Medicine Hat, labelled with paper from British Columbia mills printed in Vancouver. Each bottle is in a corrugated paper carton made in Vancouver of B. C. fir; the outside dressing of jute, however, is imported, but the sacks are manufactured in Vancouver. If you're patriotic, you can blame your headache on the jute dressing.

SMELLS are now being utilized to sell merchandise. In a recent test four pairs of hose were shown to a number of American women—one as it came from the factory and the other three scented very faintly. The women were asked to rate the hosiery according to quality. Although the perfume was so faint that only 6 of the 250 women consciously noticed it, 92 per cent picked the scented hose as being of the best quality. "Sell by Smell" may be the slogan next year. A little black narcissus on the next issue of government bonds might help things along.

WHEN an electrical company in the United States rewarded the first three prize winners in its annual arc-welding competition it was particularly appropriate that arc-welded steel took the place of printer's ink and paper. The three prize winning cheques were written in arc-welding on steel plates one-eighth of an inch thick. Each cheque was 24 by 10 inches. Endorsing was carried out in the same manner by the winners and the cheques were accepted by the bank. The latter institution also entered into the spirit of the thing and cancelled the steel cheques by machine gun fire.

THE following letter of a modern father to his daughter appeared in a recent issue of the Wall Street Journal. It needs no comment:

My dear Daughter:

You ask me if your husband should stay on in his present position at an "adjusted" salary, but you forget to tell me what he would do if he didn't. You and he couldn't very well come here just now. Your brother Sheridan's salary has just been "reconsidered," so he moved into his old room at home, and brought his wife.

Your sister Eloise telegraphed the next day that Wilfred has just been offered a new contract that was an insult, so your mother is airing out her room. Wilfred never could endure insults. Your sister Frances, who you will recall has been a private secretary, wrote last week that if anybody thinks she is going to drop to the level of a common typist, they are mistaken, so we expect her any day.

What with those and the younger children, I imagine that as long as Rupert's salary is merely being "adjusted," he had better stay. An adjustment is nothing like a reduction. It's hard for me to keep up with the new language of big business, but as I understand it, an "adjustment" is the equivalent of a raise. Of course, Rupert wouldn't know that; he has been working only since 1928; he should ask some old timer to explain what a raise is.

My own business is coming along fine. It was sold on the courthouse steps last Friday, but there were no bidders, so the sheriff let me keep it. That makes the best month I've had since the upturn.

Your affectionate father.

New Books

Empire Stock-Taking, 1932

L. St. Clare Grondona, whose book, "Empire Stock Taking," 1930, is known to a great many Canadians, has done a good service at the present time by issuing an abridged revision of his original work under the title "Empire Stock Taking, 1932."

The original book was an attempt to accomplish the formidable task of taking stock of Imperial supply and demand in all empire countries. His original book received wide publicity and commendation throughout the Empire because the facts collated and co-ordinated therein were not to be found in any other single work. To have brought this material up-to-date in time to be of use to those attending the Imperial Conference at Ottawa is a timely and excellent accomplishment.

The new volume is considerably condensed, is only a little more than 90 pages in size and costs three shillings and six pence net. It is published by Haycock Press Limited, 80 Fleet Street, London, E. C. 4.

National and World Planning

With economic disturbance rife throughout the world, students of national and world economy will find much food for thought and reflection in the July number of the Annals of the American Academy of Political and Social Science.

"National and World Planning" is the title of this edition of the Annals, and the two dozen articles it contains are actually the proceedings of the 36th annual meeting of the academy, which chose as its general topic this far-reaching subject. As is pointed out in the foreword of this interesting volume, recent developments have forced a realization of the need and usefulness of comprehensive planning in national and world affairs, and that perhaps our modern social machine is now too intricate for automatic operation.

Individual copies are available at $2.00 from the office of the Academy at Concord, New Hampshire.

Contributions to Canadian Economics, 1932

University of Toronto has issued volume four (1932) of Contributions to Canadian Economics.

This is the second volume in the semi-annual series and in addition to a special article by Professor C. R. Fay, on Canadian and Imperial Economic History and one by R. H. Fleming on Thyn Ellice and Company of Schenectady, it contains a select biography in Canadian Economics covering the period June, 1930, to June, 1931. Succeeding volumes will include bibliographies for half yearly periods.

The article by Mr. Fleming traces the history of the North West Company back to one of its main routes and along with other articles by the same author, contributes much to the solution of the different problems of unravelling the history of this important and complex organization. It is particularly important in showing the place of the St. Lawrence in the development of business organization in North America, the significance of London as a trade centre, and the conditions which gave rise to the peculiar elastic character of North West Company organizations. Through preparation and publication of such material, it is hoped to build up knowledge of the peculiarities of Canadian business structure.

The volume is part of the History and Economic Series of University of Toronto studies and is obtainable from the University of Toronto Press at $1.00 per copy.

In the Mail

Too Much Government in Business

Editor, The Financial Post,—

Your editorial of today's issue "Writing Down Debts of Public Ownership" deals with a topic most vital to the Dominion as well as provinces and municipalities of Canada. It is time the people should stop governments from assuming debts and operating business organizations not belonging to the conduct of governments and beyond the capabilities of political administration to operate economically. Canada's domestic difficulties will continue long after the world's depression shall be reasonably adjusted. You say: "public ownership has brought the country to the verge of a serious crisis in one respect" and it is just as true that it will bring it and its lesser divisions to a crisis in many respects.

If the Eighteenth Amendment has corrupted honest administration of law in the United States so, too, has every paternalistic venture mulcted the people in all cases and disgraced them in very many in Canada. The C. N. R. debts are no more colossal to the Dominion of Canada than are those of the Hydro-Electric Power Commission to the Province of Ontario nor like organizations in municipalities. But for the multitude of generally hidden costs that are paid for out of the general revenue of cities the users of power and light would have known the correct costs and would have terminated such ruthless extravagance long before now. Electric railways with but few exceptions gave up in despair and their debts are being carried by the taxpayers and hydro side steps all obligations.

By bookkeeping methods mighty reserves are accumulating to retire Hydro bonds but when the latter shall mature it may be found the reserves have been invested in rural transmission, or such, and the province will refund. In 1910 Ontario had 491,000 h.p. and Quebec had 335,000 h.p. but in 1929 Quebec had 2,595,000 h.p. while Ontario had but 1,952,000 h.p. The choice of industry was to locate where it had control of its costs for power and not being dependent upon the theories of political bureaus.

The defense that politics do not belong in public ownership ventures does not prevent politics from being there. As all money investments are dependent upon the will of governments politics will make appointments of commissioners that will be the agents of the party that appointed them. The caution used in negotiating new hydro deals seems to have been cast aside. Mr. Henry appears to be negotiating alone, in the Canyon Project, although Mr. Cook has made a call evidently to find out what was going on.

The passivity that the owning company exhibits regarding the completion of the work or complying with contracts would indicate the transaction caused it very little uneasiness about results. Maybe, that time will not improve Mr. Henry's belief in the wisdom of securing additional power, just now, or that the Province's credit will be much improved by the addition of an asset of the power plant at the Canyon.

HENRY H. FERNALD.

Welland, Ont.
July 9, 1932.

Gold Standard Best League Report Holds

Gold Delegation Votes For Quick Return—Sterling Group Dissents

First of a Series of Articles on the League of Nations' Gold Report

"At the present stage of world economic development, the gold standard remains the best available monetary mechanism," states the final report of the League of Nations Gold Delegation, published in June of this year. "The delegation is of the opinion," the report continues, "that, granted the general acceptance of certain guiding principles, the gold standard is capable of functioning in such a way as to achieve most of the advantages of stability and justice claimed by alternative standards more broadly based on commodities other than gold."

The Gold Delegation was appointed by the Financial Committee of the League of Nations in the summer of 1929 to "examine into and report upon the causes and fluctuations in the purchasing power of gold and their effect upon the economic life of the nations." Two interim reports have been issued, the first dealing with the production of and the demand for gold, and the second with the distribution of gold reserves. In addition, four supplementary volumes have been issued and the final report which is here summarized.

Chief Countries Represented

All the chief world countries were represented on the delegation by outstanding economists, all of whom, with the exception of Professor Gustav Cassel, of the University of Stockholm, signed the report. Professor Cassel refused to sign the report on the ground that the many reservations to which such an endorsement would be subject would be extremely difficult to state. Notes of dissent on specific sections of the report are appended from Professor M. J. Bonn, of Berlin, G. B. Roberts, of the National City Bank, New York, Guido Jung, of Rome, and a combined and detailed dissention by Albert Janssen, of the University of Louvain, Sir Reginald Mant and Sir Henry Strakosch, of London, Eng.

The report contains a survey of the gold standard since the war and of the purchasing power of gold as well as listing the conclusions which were arrived at by the delegation. Summaries of the notes of dissention from these statements and findings will be found at the conclusion of this and future articles on the report.

Gold Standard Essential

Many difficulties are seen by the delegation which must be solved before a general reacceptance of the gold standard can be made possible but the delegation as a whole takes the stand that a return to the gold standard is essential. Four primary requirements are necessary, according to the report, before the standard can be brought into successful operation: (1) lowering of tariffs and other restrictions on international trade; (2) readjustment of war debts and reparations so as to restore investment confidence as a basis for the normal international flow of capital; (3) changes in central bank policies so as to permit the influence of international gold movements to be felt promptly in prices and credit conditions in each country; (4) rigorous balancing of governmental budgets, and appropriate downward readjustments of wages and costs of living in each nation.

On governments and central banks the report places the onus to take steps to introduce these measures and to fulfill the requirements and conditions explained in the foregoing paragraph. The earlier they do so, the report declares, the sooner will be removed from monetary instability which has become one of the major causes of further economic deterioration.

In urging the return to the gold standard, the report stresses the necessity for international economic co-operation. It points out that countries cannot hope to escape periods of depression by self-isolation although collectively they can hope to lessen them. It is the opinion of the delegation that it is imperative that the restrictive commercial policies adopted by governments today should be radically changed and an adequate freedom be permitted, in the flow, not of credit alone, but of goods.

Delegation Members Differ

With regard to the return of the gold standard, the report and its attached notes of dissent show two very divided groups. The attitude of France and the other European countries still nominally on the gold standard is incorporated in the report proper while the dissenting notes show the influence of the British and Scandinavian countries which at present form the sterling group. The French group, while considering international co-operation the key to a maintenance of the gold standard, places its reliance for the present on general price deflation, and the British group, on the other hand, casts its vote for stabilization of the existing currencies with the initial step of raising of the price level.

Dissenters

Summaries of the notes of dissent appended to the report follow:

Prof. M. J. Bonn—Considers that the problem of war debts and reparations is the main cause of present world difficulties.

G. B. Roberts—Differs with specific conclusions drawn in the section of the report dealing with the purchasing power of gold. These will be dealt with in a succeeding article.

Guido Jung—Considers the world crisis has more political and ethical causes than monetary and that too much stress has been laid in the report on the possibility of monetary changes curing the ills of the world.

Albert Janssen, Sir Reginald Mant and Sir Henry Strakosch—Disassociate themselves with the finding of the report regarding the return to the gold standard. They would work to restore the world's well-being by following out four proposals:

1. Early settlement of war debts and reparations.
2. Removal, as far as possible, of restraints on international trade.
3. A concerted attempt on the part of the gold standard countries to restore wholesale commodity prices to 1928 levels.
4. A similar attempt by the paper-standard countries, under the leadership of sterling, to stabilize their internal price levels.

In challenging the statement of the delegation that the gold standard is the best available monetary mechanism, these members declare: "We would only go so far as to say that the gold standard is the best mechanism if properly managed."

They disassociate themselves with the sections of the report dealing with the subjects of: Causes and breakdown of the gold standard; and the objective of Monetary Policy. These sections and objections will be dealt with in future articles.

Gustav Cassel—Mr. Cassel refused to sign the report on the grounds that in doing so he would be required to make too many reservations. In his personal report he summarizes the whole situation, agreeing in the main with the theories set down by Messrs. Janssen, Mant and Strakosch.

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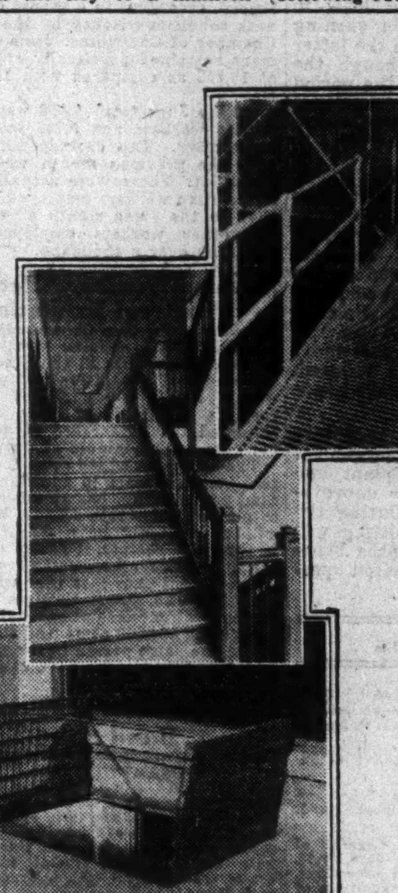

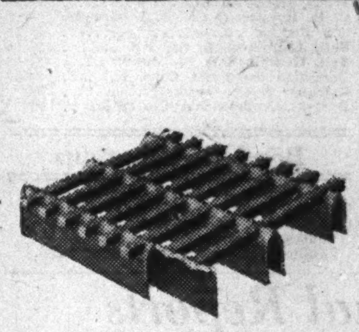

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Business Conditions in Canada

The Week in Business

Commodity Prices Continue Upward Trend

Tourist Traffic Should Improve Later

Business Awaits Decisions from Empire Parley

FOR several weeks now continued improvement in commodity prices overshadows all other indices bearing on the business outlook. In Canada, announcement of the signing of the St. Lawrence waterways treaty, the arrival of the Imperial Conference and the continued good reports of the western wheat crop have combined to create an improved sentiment throughout the country in the face of lower indices for many lines of business activity.

Lack of demand and prospects of a bumper crop have kept grain from being affected by the general rise in prices but, as far as Canada is concerned, some consolation can be found in the fact that prices in Winnipeg have continued much steadier than in Chicago.

More seasonable weather of the past two weeks in Eastern Canada has resulted in a late demand for summer goods, particularly clothing, and western retailers are now buying liberally in anticipation of business following the harvest.

* * *

TOURIST traffic from the United States has been less than that of a year ago but present indications are that the influx is speeding up. This influx, combined with the additional inducement for Canadians to spend their holidays in the Dominion owing to the prevailing discount on Canadian funds should prove some impetus to business. Latest available figures show automobile tourist entries along the border to be some 25 per cent lower at most points. A heavy influx in August during the Imperial Conference is expected but those who are closely in touch with this activity report that comparatively very little new money will be brought into the country this year.

Although the bond market is in the usual summer doldrums, prices have been steady during the past week in face of light demand. Long term railway and high class provincial bonds have changed hands on slightly more than a five per cent basis.

* * *

THERE seems to be a tendency throughout the country to await the outcome of the Ottawa conference before taking any definite steps in a business way and any favorable agreement which emanates therefrom will have a salutary effect on business.

So little is known as to the official attitude Canada will adopt at the conference that definite decisions on matters of empire currency, the fate of tariff schedules and action on such matters as currency valuations—all of which have a most dominating influence on trade, will be of substantial value to Canadian business. If the general outcome of the conference is helpful and satisfactory there is little question that business in this country will receive a helpful fillip in the fall and winter months of the year. If not, prognosticators in the United States prophesy that Canadian business will decline from the level at which it has now been maintained since the first of the year.

Car Loadings for the week ended July 9 amounted to 39,053 cars, an increase over the previous week of 2,781, but not sufficient to offset the effect of the holiday and the index number dropped from 66.77 to 61.93. The drop was mainly caused by a large falling off in the western division from 82.49 to 69.09 while the eastern division only dropped from 59.77 to 58.57.

EARLY FIGURES SHOW SLACKENING IN JUNE BUSINESS

Sentiment Improves But Preliminary Data Shows Decline

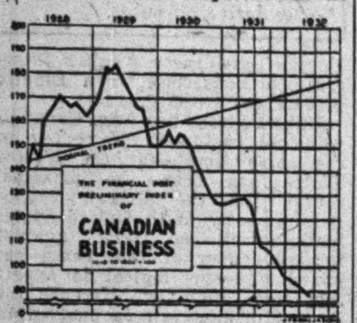
By SYDNEY B. SMITH

The statistical background of Canadian business conditions was still unfavorable in June according to preliminary data received to the present time.

Only seven out of the eighteen factors included in The Financial Post preliminary index showed gains in June over the preceding month. The index accordingly dropped to 88.0 compared with 90.1 in May. As the index is based on the average for the six years from 1919 to 1924, it will be seen that business operations were at a low ebb in June.

Three-Year Decline

The decline aside from minor interruptions in the early months of 1930 and 1931, has been continuous for three years. It is a far cry from the abnormal expansion in the early months of 1929 to the relative inactivity of recent months. The intensity and the duration of the decline lead to hopes that a reversal of the trend may develop within a reasonable time.



Tentative results attained at Lausanne and the possibilities of the Imperial Economic Conference now meeting at Ottawa have brightened the speculative outlook. The announcement regarding the progress made in the negotiations toward a treaty providing for the construction of the St. Lawrence waterway was also a contributing factor to the more optimistic feeling on the stock markets.

Statistical Picture Poor

The actual situation as measured by the developments in the principal industries during June was not of such a nature as to inspire confidence.

The primary iron and steel industry operated at lower levels. Pig iron and steel were produced at greatly reduced volume compared with the preceding months. Some recession is normal for June but in this case the decline was greatly in excess of the seasonal tendency. The production of motor cars at 7,112 was less than the 8,221 units produced in May, but after seasonal adjustment a slight gain was indicated. Output from January to May was greatly below the same months of 1931, but production in June was in excess of June of last year when 6,835 units were produced. Owing to the low levels of many factors in the latter part of 1931, comparisons based on the 12-month term will tend to become more favorable.

Factors showing the trend of construction were down in June. The award of contracts was $12,154,700 compared with $14,186,000 in May, the decline being greater than normal for the season. The list of new contracts was limited, with no contract valued greater than $1,000,000. Building permits at $4,386,000 showed a decline greater than normal for the season.

Lumber Exports Improve

Exports of lumber made a good showing in June, the total being 110,685,000 feet compared with 62,968,000 feet in May, the gain being in part accounted for by the effort to effect shipment to the American market before the new tariff was applied. The output of newsprint at 161,368 tons showed further decline in June a favorable feature being shipments in excess of output resulting in a reduction of mill stocks.

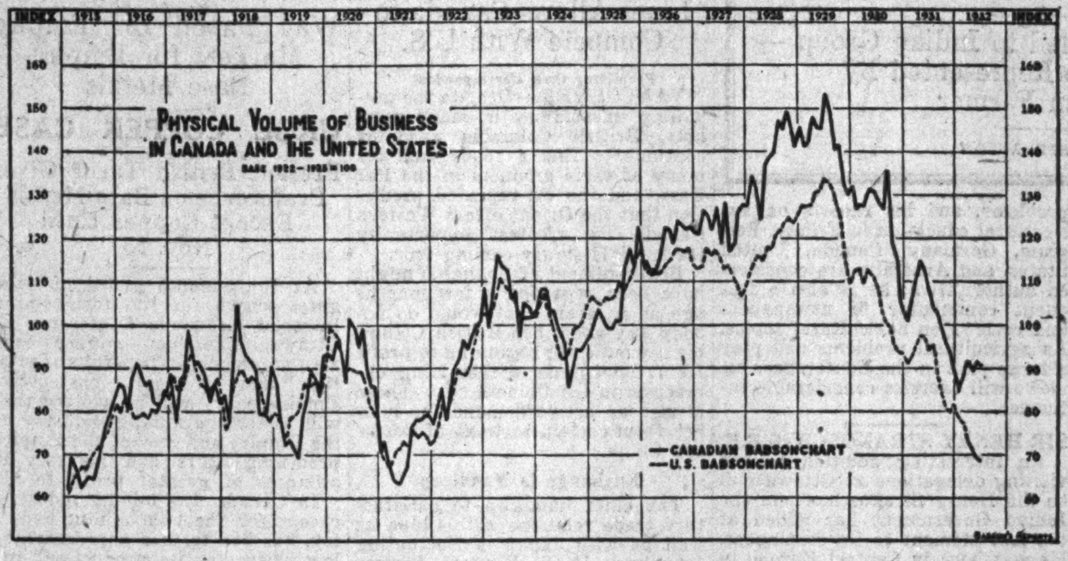
The output of sugar and flour showed gains in the last period for which statistics are available. The manufacture of sugar in the four-week period ended June 18 was 73,722,000 pounds compared with 58,751,000 in the preceding period.

Gold Continues Expansion

The feature of the mining section continues to be the expansion in gold production. Receipts of gold at the Mint from Canadian mines were 273,351 ounces, a new high record. The exports of copper were greater in June than in any month since January, the total being 6,896,200 pounds compared with 6,884,200 pounds in May. Other mineral production factors showed decline, the exports of nickel being 2,279,800 pounds compared with 3,346,200 pounds. Zinc exports were 8,103,400 pounds compared with 18,126,500 pounds in May.

Carloadings in June numbered 185,181 a moderate gain over the 183,728 of May, while after seasonal adjustment a decline would be indicated. External trade continued at a low level, a slight gain being shown in exports, while imports showed recession. The balance of trade was favorable for the first month since February.

Canadian Business Relatively Better Than U.S.A.



Remarkable steadiness has been maintained in the physical volume of Canadian business in the first six months of 1932 and for the first time in five years, Canadian business has struck out with an upward trend quite independently of the U. S. A. graph.

The above chart shows comparative trends in both countries as compiled for The Financial Post by Babson's Statistical Organization. It will be noticed that U. S. A. business is currently hovering at 1921 levels while Canadian business is currently 25 per cent above.

Canada Business Gains While U. S. A. Slumps

Comparative Figures Show Activity in U.S.A. at 1921 Level While Dominion Curve is 25 Per Cent Higher

Statistical evidence and general business sentiment alike have indicated for many weeks that Canadians are taking the depression less seriously than is the United States. Not only is the volume of production in this country at a higher level, comparatively, than similar figures in the U.S.A., but Canadian business generally is looking to the future with considerably more confidence than are business men in the States, who have been living in an atmosphere of gloom which amazes most Canadians when they visit the big cities of the United States.

To get an accurate statistical picture of the volume of business in both countries, The Financial Post asked Babson's Statistical Organization to bring up-to-date a chart which puts on a comparative basis the physical volume of production in the two countries. This chart was first published in The Financial Post in July, 1929, and has since been reproduced each year in The Financial Post Business Year Book.

Follows Independent Course

The dominant feature of the chart as revised to June, 1932, is that for five months now Canadian business has been following an upward and independent course while the United States curve has been dropping steadily downward. This is the first time since the last quarter of 1927 and the second time since the record was available that the two curves (except for minor monthly fluctuations) have failed to correspond.

For years it has been assumed by students of business trends as between the two countries that the course of Canadian business would follow that of the United States and indeed for the ten-year period, 1915 to 1925, this assumption was closely borne out by the comparative chart published herewith and which reveals the Canadian business curve lagging consistently behind that of the United States with but minor deviations.

New Trend in 1927

Then in 1927 a new trend was introduced. Canadian business started on the upswing nearly three months before the United States curve began to rise and from then until the middle of 1929 the relative growth of Canadian business was far in excess of the corresponding expansion in U. S. business. Thus at the peak of the 1929 prosperity period, Canadian business stood 53 per cent above the average for the 1922-25 period while on the same basis business volume in the United States had risen but 32 per cent.

Since that time both curves have slumped with intermittent regularity, but evidences of a lag in the change of Canadian business as compared with that of the United States have grown smaller and smaller. Early in each year since 1929, the Canadian curve has made a determined stand against the downward trend but as unsatisfactory crop conditions came into the picture, heavy declines were registered which coincided largely with the trend in the United States. Thus at the beginning of 1932, the two curves came within a few points of each other for the first time in four years. At that time the U.S. curve had dropped 18 points below the 1922-25 average while the Canadian curve was 15 points below.

Canada Makes Gain in '32

Since the beginning of 1932 the Canadian curve has made a net gain of over 8 per cent while business volume in the United States has dropped 15 per cent. This brings the level of business in the United States to 1921 levels, while current activity in Canada is 25 per cent above the 1921 mark.

Whether or not the Canadian curve may be expected to eventually follow its old-time precedents and subsequently slump to the low levels now reached by business in the United States, is a matter of keenest interest to business men, particularly to those who carry on business in both countries. With many highly favorable factors such as excellent wheat crop prospects and the forthcoming Imperial Conference, there seems good reason to hope that this flattening out of the Canadian curve is something which will be maintained and even improved upon in the next six months.

Should a similar flattening out in the United States curve appear it would of course be a highly important omen for world recovery and would doubtless be paralleled by a similar gain in the Canadian curve. That Canadian business has proved itself capable of sustaining an independent movement for so many months duration is in itself of course a significant event.

Conference Looms Large

Very considerable importance as to the future trend of business in Canada, is being attached to the results of the Imperial Conference. This is indicated by the following comment made to The Financial Post by F. Gardiner Perry, director of research, Babson's Statistical Organization. He says:

> "It is quite possible that the results of your Imperial Conference will be such that you will avoid the development of such low levels of activity as we are unfortunate enough to be experiencing at the present time. On the other hand, should that conference fail to open additional opportunities for Canadian business, lower levels than that of current figures are possible, in our opinion."

EARLY REPORTS RECORD DECLINE IN TOURIST TRADE

Prospects for Later Traffic Are Encouraging, However

Preliminary reports from important ports of entry from the United States indicate that automobile tourist traffic this year was running about 20 per cent below that of a year ago up to June 15, the only exceptions being the Maritimes, which actually records an increase, and British Columbia, which is only slightly down, and is above 1929 figures. The number of Canadian cars leaving the country to tour in the United States has been severely affected by the prevailing rate of exchange.

Ontario points, with the exception of Walkerville, appear to be hardest hit, Fort Erie, Niagara Falls and Windsor recording losses of automobile traffic of about 25 per cent. Reduced ferry rates at Fort Erie have increased traffic by that route at the expense of the Peace Bridge.

Manitoba traffic from the United States is down considerably and the opening of the Trans-Canada highway connecting with Kenora, Ontario, combined with the premium on United States funds has greatly reduced the number of tourists leaving Manitoba for the United States. Opening of the International Peace Gardens this month should boost later returns from this area.

British Columbia figures for the first four months of the year, while slightly below 1931, record good volume and are ahead of 1929, which was considered a good year. Prospects for the season are reported as good with lesser demand for long-term touring permits.

Increase in Maritimes

St. Stephen, N.B., only Maritime point reporting, records traffic on a part with last year with expectation of increasing volume as indicated by enquiries received by tourist offices throughout Nova Scotia and New Brunswick.

Quebec points all record decreases but Noyan, one of the entry ports for Montreal, reports current traffic heavy with indications of a substantial increase over last year's figures before the end of the season. This point suffered earlier in the season due tothe poor condition of the roads.

The attractive rate of exchange and the fact that the Imperial Conference at Ottawa should draw many visitors from the United States in August give rise to the belief that automobile tourist traffic will be increased during the remaining summer months and will compare more favorably with 1931 when the final figures are published.

New Claims in New Brunswick

The claim-recording division of the New Brunswick Department of Lands and Mines reports the filing of several new claims along Ryan Brook following the discovery of an outcropping of gold ore. An assay promises $17 of gold to the ton.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (July 9)	39,053	43,649	1,114,182	1,302,589
C.P.R. gross earn. (July 14)	$ 2,160,000	$ 2,778,000	$ 62,020,000	$ 77,499,000
C.N.R. gross earn. (July 14)	$ 2,661,638	$ 3,376,180	$ 75,414,293	$ 94,846,840
	Monthly			
C.P.R. net earn. (May)	$ 737,365	$ 1,074,249	$ 3,673,263	$ 4,886,585
C.N.R. net earn. (May) ..	$ 731,794	$ 440,689	$ 1,180,818	$ 1,434,040
Iron and Steel—				
Pig iron, tons (May)	13,339	50,511	69,038	243,400
Steel, tons (May)	29,239	75,235	162,370	406,272
Automobiles prod. No. (May)	8,221	12,738	32,557	59,250
" exports, No. (May)	374	1,569	2,317	9,867
Construction—				
Building Permits (May) ..	$ 5,289,506	$ 12,115,291	$ 18,190,794	$ 50,356,550
Contracts (June)	$ 12,154,700	$ 29,793,400	$ 74,761,200	$ 162,937,600
Newsprint—				
Production, tons (June) ..	161,368	193,971	1,004,248	1,138,321
Exports, tons (June)	155,895	189,738	933,446	1,025,672
Sugar—				
Imports, raw, lbs. (May) ...	98,571,500	144,866,300	268,411,800	307,303,400
Melt. & ship., lbs.	75,005,015	72,933,181	§282,554,851	324,727,425
Manufactured, lbs.*	73,721,634	69,359,926	§273,800,533	311,551,974
Flour—				
Production, bbls. (May)	1,040,693	1,183,280	4,781,163	5,527,658
Wheat flour exp., bbls. (June)	570,861	490,294	2,372,226	2,665,258
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (June)..	110.68	86.85	408.07	459.38
Boots & shoes, pr. (May) ...	1,656,088	1,740,792	7,570,393	7,402,528
Petroleum, imp. crude, gal. (May)	109,520,000	107,210,000	337,031,589	346,980,908
Cotton, imp., raw, lbs. (May)	12,463,000	8,405,000	42,507,000	40,938,000
Rubber, raw, imp., lbs. (May)	3,171,000	6,155,000	20,822,892	25,684,491
Coal, imports tons (May) ..	1,039,887	1,191,017	3,432,136	4,167,411
Gasoline sales, gals., (Mar.)	27,663,888	....	81,787,845	....
Trade—				
Imports (June)	$ 40,314,224	$ 52,508,534	$ 241,611,028	$ 353,898,594
Exports (May)	$ 40,945,490	$ 54,348,421	$ 223,062,711	$ 291,655,503
Wheat exports, bus. (June)	15,657,427	20,783,219	68,206,072	87,886,709
Labor—				
Employment Index (May) .	87.5	102.2	....	....
Electric Power—Output—				
M. Kilowatt hours (May) ...	1,273,519	1,365,786	6,747,850	7,022,142
Finance—				
Failures, No. (May)	204	163	1,061	944
Failures, Liabilities (May) ...	$ 3,148,067	$ 2,970,416	$ 17,427,169	$ 17,996,421
Bank Debits† (May)	$ 2,175,000	$ 3,171,608	$ 10,334,024	$ 18,731,606
Bond sales (June)	$ 20,565,444	$ 52,235,397	$ 161,246,484	$ 326,403,511
Insurance sales (May)	$ 30,998,000	$ 41,314,000	$ 177,570,000	$ 215,275,000
Automobile Financing:				
Used cars (May)	$ 1,768,939	$ 2,877,442	$ 5,739,999	$ 10,135,446
New cars (May)	$ 2,025,498	$ 3,439,738	$ 6,020,723	$ 10,536,332

*Four weeks' period, May 28 to June 18. §Jan. 1 to June 18.
†(000's omitted).

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6. Details of capital reorganizations.
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DIVIDEND NOTICES

McIntyre Porcupine Mines, Ltd.

(No Personal Liability)

DIVIDEND NO. 35

Notice is hereby given that a dividend of five per cent. (5%), plus an extra dividend of two and one half per cent. (2½%), on the Company's Capital Stock, will be paid in New York funds on September 1, 1932, to shareholders of record at the close of business on August 2, 1932.

By order of the Board.

BALMER NEILLY,
Treasurer.

Dated at Toronto, July 14, 1932.

GEORGE WESTON LIMITED

Preferred Dividend Number 18

NOTICE is hereby given that a dividend of one and three-quarters per cent. for the three months ending 31st July, 1932 (being at the rate of Seven per cent. per annum), has been declared on the 7% Cumulative Redeemable Preference Shares of the Company, and will be payable on and after 1st August, 1932, to the Preferred Shareholders of record at the close of business on the 20th day of July, 1932.

CHARLES W. KERR,
Secretary.

Toronto, July 16th, 1932.

Quebec Power Company

Notice is hereby given that a dividend of Thirty-seven cents (.37c) per share has been declared on the no par value common shares of the Company for the quarter ending June 30th, payable August 15th, to shareholders of record July 21st, 1932.

By order of the Board,

JAMES WILSON,
Secretary.

Montreal, July 14, 1932.

The Shawinigan Water and Power Company

Notice is hereby given that a dividend of twenty-five cents (.25c) per share has been declared on the no par value common shares of the Company for the quarter ended June 30th, payable August 15th, to shareholders of record July 21st, 1932.

By order of the Board.

JAMES WILSON,
Secretary.

Montreal, July 13, 1932.

MacKinnon Steel Corporation LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) for the quarter ending July 31, 1932, has been declared on the 7% CUMULATIVE CONVERTIBLE FIRST PREFERRED STOCK of the company, payable August 1, 1932, to shareholders of record July 20, 1932.

By order of the Board.

J. M. S. MACDONALD,
Secretary.

Montreal, July 12, 1932.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of Fifty Cents (50c) per share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st July, 1932, payable 15th August, 1932, to Shareholders of record at the close of business on the 30th July, 1932, and a Dividend of Fifty Cents (50c) per share for the Quarter ending 31st October, 1932, payable 15th November, 1932, to Shareholders of record at the close of business on the 31st October, 1932.

By Order of the Board,

F. W. EVENS,
Secretary.

Montreal, Que.,
19th July, 1932.

Municipalities in Default Relieved of Relief Costs

With the Town of LaSalle, Ont., in default the Ontario Municipal Board now has seven municipalities in the border cities group under its jurisdiction. Ferdinand Chappus, former reeve, and Ray Vigneux, former councillor, will represent the town on the Board of Supervisors of which Thomas Bradshaw is chairman.

The seven defaulting Border municipalities will be relieved of all relief costs and the Board of Supervisors is recommending that the provincial and federal governments will share such costs equally. It is expected that the government will deal with direct relief and that a government inspector will be put in charge.

Agnew-Surpass Manufacture Goodyear Welts Only

In the July 16, 1932, issue of The Financial Post, there appeared a statement that Agnew-Surpass Shoe Stores, Ltd., were currently producing 18 per cent of the total boot and shoe production of Canada.

It is pointed out by the company that this should read "Agnew-Surpass Shoe Stores now produces 18 per cent of men's Goodyear welt footwear produced in Canada." This type of footwear is the only one manufactured directly by the company, all other types being purchased from independent factories.

NOTICES

THE ONTARIO MUNICIPAL BOARD

NOTICE IS HEREBY GIVEN that the municipality of the Town of LaSalle has become subject to the provisions of Part VI of the "Ontario Municipal Board Act, 1932," by an Order of the Ontario Municipal Board bearing date the 28th day of June, 1932, and from and after the first publication of this Notice in the "Ontario Gazette" all actions or proceedings against the said Municipality are stayed and thereafter no action or other proceeding against the said Municipality shall be commenced or continued nor shall a levy be made under a Writ or Execution against it without leave of The Ontario Municipal Board.

DATED this 28th day of June, A.D., 1932.

H. C. Small,
Secretary of The Ontario
Municipal Board.

B. C. ELECTION MAY RESULT FROM INVESTIGATION

Kidd Committee Report on Financial Conditions Due Soon

From Our Own Correspondent

VANCOUVER. — Far-reaching economies in the methods of government in British Columbia are recommended in a report completed by the special committee of business men headed by George Kidd, which has been making an exhaustive study of the province's financial condition.

Contents of the report have not yet been made public, but inasmuch as the announced objective of the committee was to find means of reducing taxation and ending the long series of budget deficits in British Columbia, the general character of the recommendations is not difficult to guess at. The importance of the report will lie in the methods suggested for accomplishing the desired end.

George Kidd, chairman of the committee, was formerly chairman of British Columbia Power Corp. Austin Taylor, W. L. Macken, A. H. Douglas and R. W. Mayhew, other members of the committee, are all leading figures in British Columbia's business and industrial life.

The report is sure to carry considerable weight with the general public, and for that reason considerable political significance is attached to it. If, for instance, some form of coalition government is urged—and that seems probable in view of statements made by Mr. Kidd and other members of the committee prior to the investigation — the government will probably call a provincial election at an early date. If the Tolmie government decides to adopt the policies laid down by the committee, it will probably base its platform on this document and appeal to the country for support on that basis. Hon. T. D. Pattullo, leader of the Liberal opposition, has incidentally gone on record as being opposed to coalition.

NEW BRUNSWICK POWER SYSTEM PLAN EXPANSION

Negotiate With Newcastle and Chatham Utility Boards

From Our Own Correspondent

MONTREAL.—An estimated expenditure of approximately $1,000,000 is involved in a proposed expansion plan of the New Brunswick Electric Power Commission.

Negotiations are going on between the Commission and the towns of Chatham and Newcastle looking to the taking over of the municipally-owned electric power plants. If these units are acquired, the proposals include transmission of electricity throughout a large surrounding territory.

The programme contemplates using electricity from the steam electric plant erected in the Minto coal area at Grand Lake and brought into operation at the end of August last year. Alternative sources of power considered include: the erection of a steam generating plant in the vicinity of Chatham and Newcastle; erection in the district of a plant with Diesel engines; from a hydro-electric and Diesel engine-equipped plant at Kouchichouguac.

Need Power Line

Connection with a plant at Newcastle Creek on Grand Lake, Chatham and Newcastle involves transmission line extensions to cost upward of $300,000 but the commission would have only one plant to operate. The fuel consumed would contribute to increased production at Grand Lake, or Minto, coal area.

The Grand Lake plant, now sending power over a considerable territory, was built to serve the central part of the province with electricity and at the same time to utilize some 30,000 tons of New Brunswick coal annually. The unit cost nearly $1,000,000 and has a capacity of 5,000 kilowatts, or approximately 6,700 h.p. Its location is about 70 miles from Newcastle and Chatham, the two towns now proposed to be connected with it.

Meetings have been held between the representatives of the commission and committees from the towns and tentative schedules have been placed before the latter. The complete scheme takes in rural distribution for 25 to 50 miles by radiating lines from Newcastle and Chatham. Prospective current consumption is placed at 1,500,000 kilowatt hours annually.

New Industries and Plant Extensions in Canada

Compiled Weekly
By The Financial Post

Canadian Fitzgerald, Limited, new Canadian subsidiary of Fitzgerald Manufacturing Co. of Torrington, Conn., producers of electrical appliances, has leased 10,000 square feet of floor space at 781 King Street West, Toronto, and will manufacture Fitzgerald products there for the Canadian market.

Eastern Plants, manufacturers of men's, women's and children's felt hats under the trade name "Nufelt," have commenced work on the erection of a new plant at Truro, N.S.

Imperial Oil Co. are planning the expenditure of $1,000,000 in new machinery and processes at their $12,000,000 Vancouver plant.

Canadian Hankscraft Co., Ltd., Toronto, Canadian subsidiary of the Hankscraft Co., Inc., of Madison, Wis., are going into production there at once in the manufacture of electric egg cookers for the Canadian and export markets.

TENDERS FOR DEBENTURES

Tenders will be received by the undersigned up to 12.00 o'clock noon (D. S. Time) on Wednesday, July 27th, 1932, for the following debentures of this Corporation

$199,476.94, 15-Year Instalment — Interest 6% per annum.
$120,683.02, 15-year Instalment — Interest 6% per annum.

Debentures bear date of 21st June, 1932, and are payable at Bank of Toronto, Cobourg, Ontario.

Lowest or any Tender not necessarily accepted.

Tenders to be sealed and plainly marked "TENDERS FOR DEBENTURES" on outside covering.

E. L. MacMachtan,
Counties' Treasurer

United Counties of Northumberland and Durham,
Cobourg, Ont.

Famous Economist Represents India

Sir Henry Strakosch Added to Indian Group — British Agriculture Represented By Ex-Canadian Farmer

By JOHN A. STEVENSON

SIR ROBERT GREIG

One of the most important officials of the British delegation will be Sir Robert Greig, permanent secretary for the Department of Agriculture for Scotland, who comes as chief agricultural expert of the British delegation. Robert Blyth Greig, who was born in 1874, is a native of Fifeshire and the son of a prosperous farmer of that famous agricultural county.

He got his education at Edinburgh University where he specialized in agricultural subjects, and on completing it, before he was twenty, he emigrated to Manitoba. There in the early nineties he lived for three years at Carievale in southwestern Manitoba, acting as ranch manager for a Mr. John McQueen, a Scot who had large holdings of land in that vicinity. However, times were hard in Western Canada and he grew tired of the loneliness of prairie life; so he went back to Britain and became a lecturer in Cheshire Agricultural College in 1897. Two years later he accepted a similar appointment at the Durham College of Science, Newcastle-on-Tyne, and while working there he met his wife, a daughter of Sir George Hunter, the well-known ship builder.

Reputation as Expert

He made a reputation for himself as an expert on all agricultural problems, and in 1903 his native country claimed him again for the post of Fordyce Lecturer in Agriculture at Aberdeen University, which he occupied from 1903 to 1910. By this time he had come to be rated as one of the leading agricultural authorities in Great Britain, and the Board of Education in 1911 appointed him its staff inspector of agriculture. But before the end of the year he had been appointed one of the commissioners for the Board in Scotland and had begun to play a large part in the evolution of the government's agricultural policy.

His services were in constant demand for different commissions, and he was a member of the Agricultural Commissions which visited Canada and Australia in 1908 and 1910. When the war came he was forty years of age, but he at once obtained a commission in the Royal Scots and served in France with distinction in 1916 and 1917. Invalided out of the army he resumed his duties as Agricultural Commissioner, and in 1921 became chairman of the Board of Agriculture for Scotland, a post which he still holds.

Practical Farmer

One of the most charming and delightful of men, he combines an erudite and theoretical knowledge of agricultural principles with wide practical experience as a farmer, and has been a zealous promoter of agricultural reforms. Completely non-partisan in his political views, he has enjoyed the confidence of a succession of British governments, and apparently the National Ministry still looks to him for guidance in its agricultural policies. He has been a frequent visitor to Canada where he has many friends, and two years ago his co-operation was enlisted in connection with the planning of the National Research Council's great establishment at Ottawa. His residence in the West, too, gave him familiarity with Canadian conditions, and his varied experience should be extremely useful in discussing problems like the wheat quota and plans for Empire marketing.

He is the author of numerous reports dealing with agricultural problems, and his reports on agricultural education in France, Belgium, Germany, Canada, United States, and Australia are considered authoritative; he is also a frequent contributor to newspapers and reviews on agricultural topics. As agricultural problems will play a large part in the Conference, his views will exercise considerable influence.

SIR HENRY STRAKOSCH, G.B.E.

An interesting addition to the visiting delegations at Ottawa will be Sir Henry Strakosch whom the Indian Government has added at the last moment to its contingent. He was born in Central Europe in 1861, the son of Edward Strakosch, and at the age of twenty embarked upon a banking career in London. However, he had influential friends who were interested in gold mining development in the Rand, in the Transvaal, and in 1895 he went out to South Africa.

There his financial and other abilities soon won him business success and within a few years he became one of the leading figures in the gold mining industry in Johannesburg. He became and still acts as chairman of the Union Corporation Limited, one of the largest investment companies in the mining market, and he also served as director of other South African companies.

Strong Sense of Duty

But he had a strong sense of public duty and, being unmarried and comfortably endowed with wealth, has been able to take an active and useful part in public affairs outside the battle arena of politics. He was the author of the South African Currency and Banking Act in 1920. He represented South Africa at the International Conference at Brussels in 1920, and has been financial advisor for the South African Government at the League of Nations Assemblies, the Genoa Conference, and the Imperial Conference of 1923. He also served as a delegate for South Africa at the Assemblies of the League in 1923 and 1924, and is still a member of the Financial Committee of the League of Nations; he was also a member of the Royal Commission on Indian Currency and finance in 1925.

However, he was an intimate friend and assistant of General Smuts, and since the latter fell from power his services have not been requisitioned by the Hertzog Government. For some years past he has been residing in London, and there he has devoted what spare time he had from his business commitments to the furtherance of the cause of monetary reform and zealous pamphleteering on the subject of currency and allied problems.

Prominent Writer

Some of his pamphlets have attracted widespread attention, and he has been a frank advocate of an inflationist policy for currency as the only instrument for raising commodity prices. He has to his credit publications which are an important contribution to the literature of finance, under the titles of "The Value of Gold in our economic system," "The South African currency and exchange problem," and "Monetary stability and the Gold Standard."

In him, the Indian Government has secured the services of a man of great experience, whose reputation stands high in the financial world, and it can be predicted that at the Conference he will push vigorously for a policy of inflation, possibly to be secured through a system of Imperial currency.

DOMINION-SCOTTISH REVENUE DECLINED

Market on Investments is 26.5 p.c. of Cost; Expenses Lower

Dominion-Scottish Investments Ltd. experienced a decline in revenue from investments in the year ended May 31, 1932; reduced expenses of operation but failed to earn preferred dividends paid by $10,345 and reduced revenue account by this amount to $28,229. A net loss of $39,235 was realized on investments which was deducted from investment reserve. The company earned $2.20 per share on the 59,700, $50 par value preferred shares outstanding compared with $2.75 per share the preceding year.

Revenue account of the investment trust is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended May 31

	1932 $	1931 $
Divds. int. & other inc. rec.	167,918	213,149
Less: Rents, salaries, office & gen. exp.	15,325	18,301
Directors' fees	6,737	11,250
Int., exchge. etc.	530	2,615
Trustees, registrars & auditors' fees	2,859	3,909
Net earnings	142,467	177,074
Less: Taxes	11,025	12,495
Net profit	131,442	164,579
Less appropriations:		
Pref. divds.	141,787	149,812
Surplus for period	*10,345	14,767
Add: Prev. surp.	38,574	23,807
Balance forward	28,229	38,574

*Deficit.

Investments, at cost less investment reserve, are carried at $4,562,882 and had a market value of $1,209,872 at May 31, 1932. The amount in investment reserve is not shown but market value of investments is 26.5 per cent of cost, less reserve, as compared with 53 per cent in 1931. The number of investments has increased to 274 from 261 during the year while the average investment has dropped to $16,653 from $17,085. Bonds and debentures comprise 15.85 per cent of the total; preferred stocks, 22.01 per cent and common stocks 62.14 per cent. There is small increase in the proportion of preferred and common stocks. Classified as to nature of undertakings there is practically no change except dropping of call loans and increase in public utility holdings.

The balance sheet shows bank overdraft of $27,385 and sundry creditors of $22,530. In addition to the preferred shares on which dividends are in arrears $7,462, there are 60,000 shares of common stock while surplus in revenue account is $28,229.

TRUST AND LOAN NOT MAKING CALL

Position of Capital Stock Remains Unchanged, Says President

From Our Own Correspondent

MONTREAL.—Rumors to the effect that a call on the shares of the Trust and Loan Co. of Canada might be expected were definitely denied by Col. Sidney Peel, president of the company, at the annual general meeting of shareholders held in London recently. He admitted that in these times nervousness was natural wherever there was a liability on shares, but he certainly did not think that the financial statement for 1931 afforded any justification for such rumors.

He stated that no call could be made on the uncalled capital except for the purpose of paying off debentures or debenture stock, and at the present time there was not the slightest reason for a call being made, nor did he anticipate one.

Reviews Current Outlook

Reviewing the outlook for the current year, he made reference to the prospect of the current wheat crop. Given normal rainfall, he said, prospects are very much better than a year ago and he thought that shareholders should adopt toward the company's affairs in general the frame of mind of the farmers in the West, namely: "Hopeful but anxious."

Net revenue of the company last year dropped from £79,480 to £32,702, a decrease of £43,700.

Bell Dividend Cheques Cut for First Time

From Our Own Correspondent

MONTREAL. — Current dividend cheques of the Bell Telephone Co. of Canada reflect the recent reduction in disbursements on the capital stock from a former rate of $8 to the present basis of $7 a share. The present payment is the first one to be made at the new rate; the company had paid $8 a share for the past 41 years.

Shareholders are advised of the company's position by C. F. Sise, president, in a letter accompanying dividend cheques. He says, "A conservative policy in the matter of capitalization, the reinvestment in telephone plant of all reserves surplus earnings and of premiums on sale of stock, and the avoidance of bonus stock or other forms of exploitation, are responsible for the sound position of your company."

FAR EAST MARKET FOR B.C. LUMBER GROWS STEADILY

Subsidiary to Shipping Lines Allows Canada to Compete With U.S.

From Our Own Correspondent

VANCOUVER.—Despite the prevailing uncertainty in many markets, British Columbia sawmills continue to find a ready sale for many of their products in the Far East, and the oft-repeated prediction that the Orient offers Western Canada its greatest opportunity for trade is slowly coming true.

Bombardment of Shanghai might have been regarded a few months ago as an event that would do nobody any good, but British Columbia sawmills are beginning to profit from the extensive rebuilding operations in the Chinese city. There is also an active demand for lumber from certain sections of northern China.

Exchange is Handicap

The chief handicap to satisfactory trade relations with China as well as with Japan is fluctuating exchange. If the Western Powers are able to bring about some plan whereby the exchange with Far Eastern countries may be stabilized there will certainly be a large increase in trans-Pacific commerce. If Chinese buying power could be organized, the demand for railway ties alone in China would keep many mills, now shut down, in steady operation.

Resumption of the subsidy for shipping lines carrying lumber to China is looked upon as a favorable move, and it will be possible for lumbermen here to compete on favorable terms again with American companies which have always had the advantage of financial aid from Washington.

Despite the new Japanese tariff, which has practically eliminated Japan from the list of British Columbia's customers for certain grades, there is an active demand for squares and cedar logs and as these are not affected by the higher duty there has been a fairly brisk movement, especially since the freight rate has declined to as low as $2.50 per thousand feet as compared with a peak figure of $28 some years ago.

British Columbia mills are also shipping some spruce to Japan for airplane construction. This is being sold at high prices, ranging in some cases from $250 to $500 per thousand board feet. Japanese firms send their own inspectors here to examine shipments closely before despatch.

IRON WITHSTANDS GENERAL DECLINE IN PRICE LEVELS

D. B. S. Reports Wholesale and Retail Prices Drop in June

Despite evidence that the decline in wholesale prices has been arrested during the past few weeks, the June wholesale price index is lower than the previous month. The index of iron and its products and of non-metallic minerals and their products was slightly higher but all other groups continued the steady but sure decline begun in 1930, according to the Dominion Bureau of Statistics June bulletin of prices and price indices.

Combining a seasonal decline with a lack of demand, vegetable products fell 2.4 points to a new low after maintaining its position fairly well for the past year. Slight declines in all other groups except those mentioned above forced the total index of 502 commodities down 1.1 points to 66.6 as compared with 71.9 in June a year ago.

Group Changes Downward

Analysis of the important changes in the June index shows that of the 502 items, 43 quotations were higher, 120 were lower, and 339 remained unchanged. Comparative figures for the chief components of the index are as follows:

Wholesale Commodity Prices in Canada
(1926 = 100)

	June 1932	May 1932	June 1931
Total Index	66.6	67.7	71.9
(a) By Chief Component Materials:			
Vegetable prod.	54.3	56.7	57.9
Animal prod.	57.6	58.1	70.5
Fibres, textiles	69.3	70.3	74.6
Wood, paper etc.	72.1	73.4	80.3
Iron & prod.	86.6	86.5	87.4
Non-ferrous metals	56.6	57.2	62.1
Non-metallic min.	86.0	85.9	84.8
Chemicals	82.6	83.2	86.7
(b) By Purposes:			
(1) Consumers goods	71.0	71.5	75.7
Food, beverages	59.7	60.6	68.9
Other goods	78.6	78.7	80.2
(2) Producers goods	63.2	64.7	68.0
Equipment	88.1	88.2	89.1
Materials	60.4	62.1	65.7
Bldg. & constr.	76.9	78.0	82.8
Mfg. materials	56.7	58.6	61.9
(c) By Origin:			
Raw & partly mfgd.	53.9	55.4	61.3
Fully manuf.	69.9	70.8	74.1

Retail Price Changes

Not much change is recorded in the Bureau's retail index for June compared with the previous month, any changes that there are being downward. The total index of retail prices, rents and cost of services declined 0.3 points to 81.5, influenced by decreases in the food and fuel indices. No change is recorded in the rent, clothing or sundries indices.

The index for 46 food items declined from 62.9 to 62.1, lower prices for fresh pork, mutton, bacon, canned salmon, butter, potatoes, sugar and tea influencing the index more than advances of sirloin beef, onions and preserves. The fuel and lighting index moved downward on recessions in the price of coal.

Comparative figures are as follows:

Index Numbers of Retail Prices, Rents and Cost of Services
(1926 = 100)

	June 1932	May 1932	June 1931	Peak 1926-32
Food	62.1	62.9	75.0	106.5
Fuel	90.3	91.4	93.6	97.1
Rent*	93.9	93.9	103.3	100.5
Clothing*	74.5	74.5	81.1	97.6
Sundries	97.1	97.1	98.0	99.8
Total	81.5	81.8	88.9	102.1

*Adjusted only each quarter.

Stairs Elected Director of Calgary Power Co.

From Our Own Correspondent

MONTREAL. — Denis Stairs has been elected to the directorate of Calgary Power Co. at the annual general meeting of shareholders. Mr. Stairs succeeds the late A. E. Cross, Calgary. The meeting was routine with reports and statements adopted.

Imperial Conference Lends Hope for Canada's Metal Mining Industry

Way Paved for Empire Markets for Empire Base Metals

URGE COPPER CASE

Present British Tariff Gives Preference on Base Metals Except Copper Until Nov. 15

As the advance guard of delegates arrive for the forthcoming Imperial Economic Conference at Ottawa, Canadian mining men assume an air of hopeful expectation that a real constructive Empire policy will be evolved that will foster the mining industry of the Empire and cement the Empire producing units and markets in alliances of greater profit to all.

In Canada, the mining industry, except for the gold mining industry, has had to face unprecedented low prices for its production, and this, coupled with curtailed markets, which have been further aggravated by increased tariff barriers, has made it expedient that closer Empire ties must be sought.

Early this year Great Britain inaugurated a general tariff of 10 per cent in addition to the tariffs already in force on practically all its imports. In deference to the forthcoming Imperial Economic Conference their application to the Empire countries was deferred until November 15 next in order that any adjustments might be discussed.

As the situation stands at present, Canadian producers of lead, zinc and nickel enjoy a 10 per cent preference over the producers of these metals in the United States. Copper alone is on the free list of important base metals from the United States to Great Britain.

Copper Preference Expected

The copper producers of the Dominion have met and drafted briefs presenting the cases of the Canadian producers. In the past the major portion of the Canadian copper production went to the United States in the form of blister copper to be refined in that country, the Canadian requirements of refined copper having to be imported. In the last two years Canada has had established two electrolytic copper refineries of a total capacity of 195,000 tons annually which make it independent of foreign refiners. This fortunate situation now enables the Canadian producers to seek the markets of the world. That these markets will be Empire markets as a result of the forthcoming conference is the hope of the Canadian producers.

Northern Rhodesia and Canada have greatly expanded their potential copper production in recent years. This potential production is one of the problems that will have to be faced, as it is in excess of the immediate requirements of the Empire, which means the surplus will have to find other markets. Also one of the world's largest copper producers the Union Miniere du Haut-Katanga, in the Belgian Congo, while principally controlled by the Belgians has a very large investment interest in England and these English interests are concerned when Empire preferences are discussed.

United States has been Canada's principal customer for copper at the same time that the United States has been the principal source for the British copper requirements. With United States inaugurating a tariff against foreign copper of four cents per pound it seems logical to expect that some Empire preference for the commodity will be evolved to permit Empire producers to enjoy the trade formerly held by the United States.

One far reaching effect of any Empire preference on copper will be to place the Empire fabricators of copper in a preferred position as against the United States copper fabricators who will without doubt have to pay a higher price for their copper now that the United States producers enjoy a protection of four cents per pound. In this respect Empire fabricators have an opportunity to expand in the great electrification programme that is planned in Great Britain as soon as the present economic situation clears.

Lead and Zinc Satisfactory

The situation in the lead and zinc industry is that at the present time Canada enjoys a 10 per cent preference over the United States, the world's leading producers. In the main the Canadian producers, which means principally the Consolidated Mining & Smelting Co., are quite satisfied with the present situation of preferences and it is not thought likely that any great modification will be sought by Canada.

The position with respect to the lead and zinc production in the United States is comparable with copper. All enjoy protection which largely reserves the United States for the producers of that country—the surplus being marketed in the world markets.

The nickel industry being largely a Canadian monopoly is in a favorable position. The 10 per cent general tariff prevails in Great Britain on nickel and nickel alloys not emanating from within the Empire are not of real concern since practically all the production is from within the Empire. At the present time "Monel Metal," a nickel-copper alloy, is entirely produced in the United States and markets are such that it is not practical to establish plants for its production in the Empire. Whether or not any modifications with respect to nickel and its alloys will result from the conference is a conjecture.

Democratic Policies Would Aid Investors

The Democratic party in the United States has embodied in its official platform two planks for the protection of the investing public. The first would require filing of information regarding bonuses and commissions paid on all offerings of foreign or domestic stocks and bonds as well as federal regulation of holding companies and exchanges trading in securities and commodities.

The second plank calls for more rigid supervision of national banks; quicker methods of realizing on assets for the relief of depositors of suspended banks and severance of security affiliates from commercial banks. There would also be further restriction of Federal Reserve Banks to prevent use of Federal Reserve facilities for speculative purposes.

Another Re-organization in Affairs Canam Metals

A further reorganization in the affairs of Canam Metals is announced by Clement K. Quinn, president of the company by the formation of the United Gold Mines Corporation.

This latter company has acquired from the Amex Mining Co. its interest in the Zacatecas Metals S. P. in exchange for 744,400 shares of United Gold Mines Corp. stock, which is held in escrow by the Northern Trust Company of Duluth.

A little over a year ago Quinn announced the reorganization of Canam Metals by the incorporation of the Amex Mining Co. having a Delaware charter. Under the terms of the reorganization at that time Amex acquired Canam Metals interest in the Zacatecas Metals in consideration of 248,143 shares of Amex. United Gold Mines Corp. has been formed to take the property over from Amex.

There is no direct exchange of stock between United Gold Mines Corp. and Canam Metals, the latter company acting as a holding company owning shares in a holding company owning shares in the newly formed United Gold Mines Corp., which will hold title to the property.

Canadians were introduced to Canam Metals, early in 1929, following the incorporation of the company with a Dominion charter the previous November. Activities of the company at that time were in developing lead-zinc properties in the Tri-state district of Missouri. The company was largely financed in Canada through the efforts of Stobie Forlong & Co., the stock selling up $1.50 per share in 1929. An initial dividend of 2 cents per share was declared in January, 1930, despite the fact that the company's previous financial statement shows current liabilities in excess of current assets.

The Financial Post criticized the company's dividend gesture at that time owing to its financial straits. The present reorganization of the company is declared to be necessary owing to the Canam Metals inability to obtain funds.

The directors of Canam Metals included but two Canadians, Joseph Errington, of Toronto, and A. J. McComber, of Port Arthur, Ont.

American Paper Box Sales Holding Up Well

From Our Own Correspondent

MONTREAL.—Output and sales of the paper box industry in the United States during the first five months of the current year compare favorably with the record for the same period in 1931. Manufacturers, according to a survey prepared by R. G. Dun & Co., have adjusted operations in consonance with changed conditions and operating time has been maintained close to last year's levels.

An increased demand for paper boxes to stimulate sales has helped to stabilize distribution, though competition offered by some of the new packaging materials has had to be met. Sales of containers for foodstuffs and drugs have shown the least sales decline.

As regards prices, the general level remains low but recent fluctuations have been within very narrow limits, evidencing greater stability and supporting a belief that early reaction is inevitable.

The survey finds that there have been comparatively few failures recorded in the industry.

Unprecedented!

IN THE past six weeks (May 30 to July 11) Canadians purchased more life insurance from the London Life than in any other similar period in its history. The total volume was over $21,000,000, considerably more than half a million dollars a day.

The Gains Week by Week
1932 over 1931

1st Week	$ 846,000	increase
2nd Week	402,000	increase
3rd Week	669,000	increase
4th Week	444,000	increase
5th Week	53,000	decrease
6th Week	1,697,000	increase
Total Increase	4,005,000	
Total Volume	21,078,000	

One Reason

London Life policies are being sought for investment purposes and to offset losses caused by the depression, in addition to providing insurance protection for dependents. They offer remarkable "returns" to policyholders.

London Life policies enable you to face the future with confidence.

Established 1874
London Life
Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security.

The service, in other words, is one of fact and not of opinion.

Abnormal Profits Estimated For Hamilton Co-operative

Promoters Expect Profits Far in Excess of Established Companies Even Though Relative Expenses Will Be Greater

I am enclosing a prospectus to you, of the Hamilton Co-Operative Creamery, which is recommended as an excellent investment. Having no personal knowledge of such matters, I feel that I can depend on your judgment to a prospective investor.

Talking with a friend of mine in the milk business, he informs me that these figures are altogether out of line with the results obtained by reputable existing companies. For instance, this prospectus states they will make an estimated profit of two cents per quart, and I am informed that today half a cent a quart is a very good earning. Likewise, the net profits on eggs and butter are nearer one cent per lb., or dozen, than the amount stated.

I am informed that the largest dairy co-operative effort in the Canadian West, known as the Saskatchewan Creamery, is today in the receiver's hands.

Abnormal Profits Estimated

Estimated rate of earnings of Hamilton Co-operative Creameries, as shown on the sheet accompanying the prospectus you sent us, would make all present dairy companies very wealthy if it were possible to attain. But where the promoters estimate a profit of two cents a quart on a milk turnover of 4,000 quarts daily, five cents a quart on a butter turnover of 1,000 pounds a day and eight cents a dozen on an egg turnover of 165 dozen daily, actual distributors with all their connections made and products moving smoothly from producer to consumer are seldom able to make half a cent a quart on milk sales and little more relatively on butter and eggs.

Our information about butter profits is that the retailer generally has a spread of from three to five cents per pound, but after paying operating expenses and carrying his overhead, profit is about one cent per pound if he has been exceptionally able and fortunate in his dealings. Because of chain store competition most retailers make a profit of less than half a cent a pound on butter.

If a grocer makes five cents a dozen gross profit on eggs he is doing well and at that he would have a net profit of one cent or 1½ cents a dozen after paying his expenses.

Unfortunate Time to Start

It appears to be a rather unfortunate thing for the farm co-operative movement in Ontario at present that so many enterprises are getting started in times when success will prove so difficult and that money is being obtained from farmers and consumers on representations which are misleading. There is no virtue in a co-operative idea which gives it any advantage over a business conducted by a joint stock company or by private individuals. If the promoters are so little concerned with ultimate results that they will establish a concern to sell in a market already adequately supplied, then it would appear that success in getting customers can only be got by means of a price war which would eventually beggar the co-operative. The estimated output cannot be gained by a single leap though it looks quite simple on paper to those who do not know much about the industry.

Ridiculous Over-estimates

This matter is worth more than ordinary attention because a number of promoters and farm politicians are endeavoring to convince farmers in district after district that the way to get good prices for hogs, milk, eggs and what not is to form co-operatives which will take all the profits for the farmer instead of allowing "fabulous profits" to go to the middleman and the manufacturer. In most cases it is found that costs are as high or higher for the co-operative as for any other organization and that in the early stages of an enterprise an ill-equipped co-operative has considerable difficulty in making good. That difficulty is accentuated because of the ridiculous estimates as to profits fed out when stock is sold. Farmers, who believe the present propaganda, will find it very difficult to give credit for competent direction to a manager who does even as well as the other companies.

Cutting Each Other's Throats

Such a co-operative, when organized without consideration for economic necessity, hurts dairy farmers as much as it helps them. It hurts not only those who put their money into the enterprise if their hopes go unrealized but it hurts the farmers already shipping regularly through regular channels to the Hamilton market.

More Capital Needed

Even if the company could justify its existence by making up the inevitable losses of the first two or three years with profits of the next two or three years the capital of the company appears inadequate for a business of the volume referred to in the estimate of earnings. The capital stock consists of 1,500 shares of $50 par value 7 per cent preferred stock, or $75,000 in all, and 3,000 shares of no par value common stock. Supposing that it only cost the promoters 10 per cent to finance the sale of this stock, there would remain $65,000 and it would take all of this to build and equip properly a plant for the business they propose to do.

Where is the money to come from to advertise co-operative products and to absorb losses while the business is being built up?

Heavier Costs

The present milk supply of Hamilton, The Financial Post is informed, comes from the surrounding country within a radius of from 18 to 20 miles. Farmers with dairy herds in this area are not interested in financing additional competition in their chief market—Hamilton—and it is therefore altogether likely that promoters of this co-operative have gone beyond the ordinary bounds of the productive area. Beyond 20 miles from Hamilton such promoters would find districts where farmers sell their milk to cheese factories, creameries, condensed or powdered milk factories at prices less than farmers shipping milk direct to the city are able to get.

These outside farmers may find, however, that the anticipated profits do not come. Setting to one side the possibility of their co-operative not making a success in the end, the longer distance of shipping, the strict regulations of the municipal board of health and other additional sources of expense would militate against their rosiest hopes being realized. As they could not sell all the milk the remainder would have to be converted into butter in the city at a greater cost than their local factory could do. There might be a little advantage were it not for the possible competition between the farmers who already have the market and these new co-operative farmers who want it. The near by farmer who spends his money in the city will have the best competitive chance in the end.

Profit Margins Grow Less

Margin of profit in the dairy business for some years has been gradually diminishing as shown by returns of companies in the business. Milk consumption has dropped during the depression and, though dairy companies have reduced their operating expenses materially, profits are made only by the greatest efficiency and care by the best-managed and well-financed companies. Profits in the past by large companies have been good but the industry has in the last few years gradually succumbed to the influences of the time. Competition was already severe because of the many companies formed during the good price period to take advantage of the high prices; with a large access of co-operative companies, even though the latter did not prove in most cases as permanent as the Saskatchewan Co-operative whose large losses you refer to in your letter, lower prices still would result. In many parts of Canada hot price wars have developed in competitive fields.

There are always disappointments when the inexperienced come into the field against the experienced. Most of the investors in shares of Hamilton Co-operative hope for 7 per cent on their money and the earnings estimate is for a reserve of $37,710 after paying dividends of $5,250. In other words, the promoters estimate a profit of nearly 60 per cent whereas the most efficient dairy companies already in the field find it difficult to pay 7 per cent to shareholders. A number cannot pay that much.

Enters New Field

Farmers will be in the majority on the board of directors. That assures the producer getting a good price if it is possible to give it to him and still make money and presupposing that consumers will pay enough to assure such a good price. The manager, C. Christensen, had during good times a successful record as a butter maker. He enters a new field in the distribution of milk and enough has been said to show that he has very difficult problems to solve if under his management the company is to earn half as much as the promoters say.

It is only fair to say that the earnings estimate referred to here is not incorporated in the letter written by J. W. Richardson, president, to Littlejohn, Townsend & Co., who are placing the stock, but it has accompanied the letter of Mr. Richardson as copied and sent to prospects. It apparently forms the basis of appeal to shareholders.

Fort Francis Pulp

What is the present standing and ownership of Fort Francis Pulp & Paper Co. and Great Lakes Paper Co.?

So far as we are aware, there is no public interest in Fort Francis Pulp & Paper Co. which has a newsprint plant located at Fort Francis with a rated capacity of 325 tons of newsprint daily. We have no recent record of operations of the company but at the end of 1931 production was on a basis of 75 per cent of rated capacity which was considerably higher than the average of other newsprint mills throughout Canada.

Great Lakes Paper Co. owns a newsprint mill at Fort William with an annual capacity of 100,000 tons of newsprint. This company is now in receivership and is operating at about 35 per cent of its capacity. Interest on the first mortgage bonds of Great Lakes Paper was not paid on March 1, 1931, nor has any payment been made since.

Both of these companies are controlled by Backus-Brooks Co. which controls other newsprint mills located in Ontario and United States.

Bondholders' Corp.

You refer to a recent announcement of the formation of an organization known as the Corporation of Canadian Bondholders. Would you kindly give me the names and addresses of the men who constitute the nucleus of the board of this new organization, and a resumé of what they have done to date?

The office of Corporation of Canadian Bondholders is in Room 1520, Bank of Hamilton Building, 67 Yonge Street, Toronto 2. The first directors of the Corporation are Campbell Reaves, Lt.-Colonel A. L. Bishop, Hume Blake and James Bennett, of Toronto, and J. Norman Dalley, of Hamilton.

Messrs. Dalley and Reaves are retired from business, the former having been connected with John Inglis Engine Works. Lt.-Colonel Bishop is president of Leonard Engine Works and Coniagas mines and is a director of Coniaurum Mines. Hume Blake has substantial interests in Toronto and James Bennett is connected with George H. Touche, chartered accountants, and is also managing director of Economic Investment Trusts and Dominion Scottish Investments.

Dairy Corp.

Several times in the past few days we have been asked our opinion of Dairy Corp. bonds and I would appreciate your opinion of this issue. Would you advise selling $1,000 National Service Loan and buying $1,500 Gatineau Power?

In the year ended Dec. 31, 1931, Dairy Corp. of Canada Ltd. earned its debenture interest 3.60 times after depreciation. While earnings in the current year are not expected to be on the same level as 1931 it would appear that earnings would be sufficient to cover debenture interest after depreciation.

The company has been handicapped by inability to do any public financing due to the prevailing financial conditions and as a result payments owing on account of purchase of various subsidiaries have had to be met from earnings. So far the company has been able to meet the periodic payments due without increasing its bank loans, although naturally the working capital position of the company has been affected.

The 6 per cent debentures of the company are definitely speculative at the present time and in common with many other industrial securities, practically no market for them exists. The investor who holds the bonds at the present time would, therefore, have to sacrifice a considerable part of his investment by selling at this time when there is no definite indication that the company will not be able to continue with its payments.

It would be impossible to advise the sale of $1,000 National Service Loan bonds and purchase of $1,500 of any security of Gatineau Power Company without knowing the whole circumstances of the investor's position. It is, of course, obvious that a switch from National Service Loan bonds which have a high degree of security into a Gatineau Power bond which is definitely speculative at the present time, should only be undertaken by an investor who could afford to take some risk.

Roby's Products

Can you tell me the financial position of Roby's Products Ltd. of Montreal, at present? I am a shareholder.

Canada Gazette, of June 25, 1932, contained a notice that Roby's Products Ltd., of Côte St. Paul, Quebec, was adjudged bankrupt and a receiving order made on June 16, 1932. Chas. B. Brown, 388 St. James St. W., Montreal, was appointed custodian. The first meeting of creditors was held at the office of the official receiver, room 31, Court House, Montreal, on June 29, 1932.

Gatineau Power

It has been suggested to me that I exchange some Alberta bonds for Gatineau Power 5 per cent bonds, due 1956, now selling for $66.25.

I have been told that the Gatineau Power Co. has a contract with the Ontario Hydro, which practically provides in full for the interest on its bonded debt, and that in addition it has a number of other valuable contracts. I have also been told that it supplies power to the International Paper Co. which is a large holder of its common stock, and that its earnings from the paper company practically pay its dividends upon the common stock, so that even if this source of revenue were to fail, the bond interest would be paid by the Hydro contract.

Gatineau Power Co. is indirectly controlled by International Hydro Electric Systems which is controlled by International Paper & Power Co. In the year ended December 31, 1931, Gatineau earned interest charges on its 5 per cent first mortgage bonds, due 1956, and prior liens, by 2.06 times after depreciation and amortization of storage works.

The company has substantial power contracts with the Hydro Electric Power Commission of Ontario, and Ottawa Electric Co., which together with sales of power for municipal purposes, gave the company sufficient revenue in 1931 to cover all operating expenses and first mortgage bond interest. In addition, the company has large contracts with Canadian International Paper Co. and sells power to E. B. Eddy Co. and Canada Cement Co. and other industrial users of power.

The first mortgage bonds and debentures are listed in New York and have a good market although prices during the past year have been substantially under what would appear to be justified by the earnings statement. The bonds are naturally more speculative than those of Alberta, but on the other hand, are more readily marketable at the present time.

Montreal Power

Would you be good enough to give me some information on the debentures of Montreal Light, Heat and Power, Cons. What is the security back of these debentures? When is interest payable?

The debentures issued by Montreal Light, Heat and Power Consolidated, are for a term of 7 years with interest at the rate of 3 per cent payable semi-annually on the 1st of January and July. They are dated July 1, 1932, and the capital is redeemable at full face value ($50) on any interest date from July 1, 1937, to July 1, 1939, at the option of the company. Holders have the privilege of converting each debenture into one no par value common share up to July 1, 1937. Debentures are in registered form and interest will be paid by cheque without charge at any branch of the Royal Bank of Canada, in Montreal.

Interest on installments previously paid has been adjusted to July 1, 1932, by an allowance on the final installment of $1.50 a share subscribed; the first payment of debenture interest will be made January 1, 1933, and regularly thereafter. The new debentures, which are being mailed out to subscribers on July 15, are a first charge on properties of Montreal Power after $33,777,000 of bonds presently outstanding. They rank ahead of the 4,492,042 shares of common stock on which dividends are presently paid at the annual rate of $1.50 a share.

Can. Northern Power

Can you give me an explanation of the decline in preferred shares of Canada Northern Power Corp.? I have considered buying some of this stock but am doubtful in view of the drop in share values. Are earnings holding up well?

The decline in market values of Canada Northern Power preferred may be attributed more to general stock market conditions than any factor within the company itself. The last figures on earnings published covered the five months ended May and showed net earnings up $50,234 at $987,613. Output of energy showed an increase, reflecting the mining activity in the territory served by the company. In 1931 earnings were equal to $12.10 a share on the preferred stock; indications are that preferred dividends were covered in the first six months of the current fiscal year.

Metropolitan Corp.

As a subscribr to The Financial Post, would you be good enough to advise me of the position of the first mortgage bonds of Metropolitan Corp. of Canada. I understand that Grand Silver Stores is in receivership; does this affect Metropolitan Corp.?

We are informed that the position of the first mortgage bonds of Metropolitan Corp. of Canada is not unsatisfactory, despite the receivership of F. & W. Grand Silver Stores Inc. which operates the Canadian units of Metropolitan Chain Stores. Metropolitan Corp. of Canada is a real estate company which holds the store properties in fee and these properties are leased to Grand Silver Stores. This lease is generally considered an operating charge and those close to Metropolitan Corp. do not feel that the position of the bonds is endangered at the moment.

Bell Telephone

I would like to have your opinion on the shares of Bell Telephone Co. of Canada. Do you think that the present dividend rate will be maintained and have you any information on earnings this year?

Bell Telephone Co of Canada does not issue any interim figures on earnings during its fiscal year. The fact that the company has reduced its disbursement to 7 per cent after paying 8 per cent for many years indicates that profits have shown no tendency to improve this year; in 1931 you will remember that earnings fell slightly short of the 8 per cent dividend. The main factor in the situation surrounding the company today is that Bell Telephone has made very large outlays on its property in recent years, extending and improving its services. The carrying charges on funds so expended are substantial and these charges, of course, must be met before disbursements on the common stock. In face of business conditions the possibility of a further reduction in dividend payments cannot be overlooked.

General Steel Wares

I hold a bond of General Steel Wares Ltd. and would like to know the position of the company. Is there any possibility of first mortgage bond interest being passed?

Through extensive changes in the organization, the management of General Steel Wares has effected operating economies amounting to over $1,000,000 a year. In view of these economies, it was hoped earlier in the year that with even a small increase in volume of sales the company would be able to earn bond interest in 1932. This increase in sales has not been forthcoming and in recent months sales have dropped very materially. The net result has been that the economies effected have offset the loss in sales during 1932 and in the first five months of the current year, the company had a loss after bond interest and depreciation of approximately the same amount shown in the corresponding period of 1931. Under these circumstances, it would appear that payment of bond interest on the next interest date is very doubtful.

Since bond interest is not due until November 1, however, any improvement in earnings might change the picture considerably. Sales in June showed a change in trend and sales in early July were still more satisfactory.

Mutual Associates

I would appreciate a report from you on the Mutual Associates, Ltd., Toronto; and your opinion as to the advisability of investing along the lines of this plan.

Under the Mutual Associates, Ltd., savings plan the investor pays in $1,380 in monthly installments over an 11-year period and interest on the investment is allowed to accumulate. The average person does not save regularly and the stimulus provided by undertaking such a contract might cause you to save in a more consistent manner than you otherwise would. It is advisable, however, to consider your ability to maintain the monthly payment called for under the contract during the entire period: if it becomes impossibe for you to maintain such payment the cash surrender value does not equal the actual amount of money paid in until the end of the eighth year. The cash surrender value at the end of the 11 years is $1,630 as compared with cash payments made of $1,380. If you deposit $10 on the first of each month for 132 consecutive months with a trust and loan company which would pay you 4 per cent on your deposits you would have to the credit of your account at the end of the period $1,475.

The directorate of London & Western Trust Co. is closely interlocked with that of Mutual Associates, Ltd., and funds received by Mutual Associates, Ltd., are invested by London & Western Trust Co. in "securities such as are authorized under the laws of Ontario for the investment of trust funds." This would include mortgages on real estate as well as such bonds, preferred and common stocks, as are permitted by Ontario legislation. There is, however, at this time, no provision for the publication of either a financial statement of Mutual Associates or a list of the investments in which its funds are placed. There are no restrictions on the amount that may be placed in any one security and the trust company is practically given a free hand. In other words, you are expected to place complete reliance in the management of London & Western Trust Co.

The initial payment of $60 is devoted to selling expenses and is not deposited to your credit. In addition, $7.50 is deducted annually in advance throughout the life of the contract to cover cost of collection, administration, directors' and trustees' fees.

Silverwood's Dairies

We would appreciate receiving as much information as you can give us with regard to the progress made by this company, Silverwood-Dairies, and as to its possibilities for the future?

The annual report of Silverwood's Dairies is now in course of preparation and Mr. Silverwood states that the cash position of the company has been improved and bank loans have been considerably reduced. After setting up substantial reserves for depreciation and allowing for write-offs for organization and other expenses it is anticipated that the preferred stock will show earnings of approximately $10 per share for the past year.

Mr. Silverwood states that he wishes to continue payment of preferred dividends although it may be necessary to defer payment of dividends on the class A and common shares. Operations of the company have been consolidated during the past year and expenses reduced. Increased Dominion and provincial taxes will affect the company in the current year but Mr. Silverwood states that in the past year the company has increased its unit volume of sales and profits although dollar volume of sales is somewhat lower.

Passing of the common and class A dividends should aid the company in building up a surplus. The amount of bank loans is comparatively small and the company does not have a large funded debt. So far the company would appear to have at least maintained its position during a difficult period.

Beverage Stocks

I am considering purchasing the following stocks and would like to have your opinion: Canada Dry, Canada Bud, Canadian Wineries, Canada Vinegar, Canada Malting.

Both Canada Vinegars and Canada Malting have been able to maintain earnings and dividends through the past few years and seemingly are not affected by conditions that are adversely affecting other industries. Both have practically a monopoly of the Canadian business in their respective line, although Canada Vinegars Ltd., is getting some competition in Ontario. Both have a strong liquid position, have no bonds of preferred shares outstanding and operate largely in Canada.

Canada Bud Breweries is one of the few brewing companies in Ontario to show increased sales and earnings during the last fiscal year. The company has had substantial increase in sales each year since it was formed and in 1931 acquired a subsidiary which is manufacturing a pale ale. Deliveries have heretofore been confined almost entirely to Ontario but the company is apparently testing the possibilities of the export market in the West Indies. Canada Bud stock must be considered as considerably more speculative than either Canada Vinegar or Canada Malting Company which have a much longer record.

Stocks of Canada Dry Ginger Ale belongs in the specialty group. The company has had to meet competition in the United States in the last two years. Several steps have been taken to either hold or increase business, including a reduction in retail price, production of new lines, and different methods of merchandising. To some extent, these efforts would appear to have been successful and should aid the company when business conditions improve and demand for what is really a luxury product increases. The stock is known as a seasonal stock and has a tendency to depreciate in price during the summer months when the company makes most of its profit. In the last quarter of the calendar year operations are usually at a low ebb.

Canadian Wineries Ltd. has been affected by keen competition with domestic and imported wine which has resulted in lower profit and in the year April 30, 1932, the company earned 21c. per share. Outlook is uncertain from the dividend standpoint.

Can. Financial Founders

We would like to have your opinion regarding Canadian Financial Founders' ten-years savings plan, which we understand includes life insurance protection over the ten-year period for the unpaid balance of the face value of the certificate. We also understand that all payments are made direct by the certificate holders to the Prudential Trust Co. in Montreal, who are trustees for each individual plan. The companies included in the portfolio of the security behind the plan are supposed to be some of the largest and strongest in their various lines of industries on the continent, and have shown a favorable record in the past and also through the present depression, and should show much better results over the next ten years, providing the North American continent goes ahead, as we believe it should.

The plan appears to us to be sound, and as it is a rather unique idea, we would like to know what you think of same as a savings proposition.

The Canadian Financial Founders' plan appears to us to be a systematic method of speculation rather than a savings plan since the results to be achieved depend entirely upon stock market conditions. While life insurance protection is provided to the extent of the unpaid balance due on the contract, the proceeds of such insurance, in the event of collection, are invested in Diversified Trustee Shares, Series "D." There is a natural inclination and some reasonable basis for anticipating a long-term upward trend for stock prices which reflect business conditions, but it is absolutely impossible to predict the value of Diversified Trustee Shares, Series "D," ten years in advance and the interesting record of the past ten years is not necessarily an indication of what will happen during the next ten years.

One weakness of the Canadian Financial Founders' plan that has developed during the past year is the adverse exchange rates on New York funds. This, together with two loading charges and other expenses, would make investment an unsatisfactory one for the investor who is forced to discontinue his periodic payment before the end of the contract.

Midland Properties

Please give me an outline of the position of Greater Buffalo Theatres Inc.

The name of Greater Buffalo Theatres Inc. was changed to Midland Properties Inc. on Feb. 2, 1932. The company owns a vaudeville and moving picture theatre in Buffalo, N.Y., which is leased to the Shea Operating Corp., a subsidiary of Paramount Publix Corp., at an annual rental of $78,000. At Dec. 31, 1931, the company had outstanding $920,000 of 8 per cent cumulative preferred stock of $100 par value and 150,000 shares of no par value common stock. The company has no funded debt but has mortgages on real estate of $549,700. No dividends have been paid on the preferred stock since Jan. 3, 1927, and at the end of the last fiscal year preferred dividends were 60 per cent in arrears.

At Dec. 31, 1931, the company had total assets of $1,509,088 of which $1,490,960 was the value placed on lands, buildings and equipment, less reserve for depreciation which amounted to $356,400. Mortgages on the property are the chief liability of the company, preceding the preferred stock and fall due on Oct. 1, 1932. The income of the company since 1927 has not been sufficient to leave any surplus after payment of interest, taxes and operating expenses. In each year since 1927 there has been a small deficit which amounted to $24,308 in 1931. Stock of the company is not listed.

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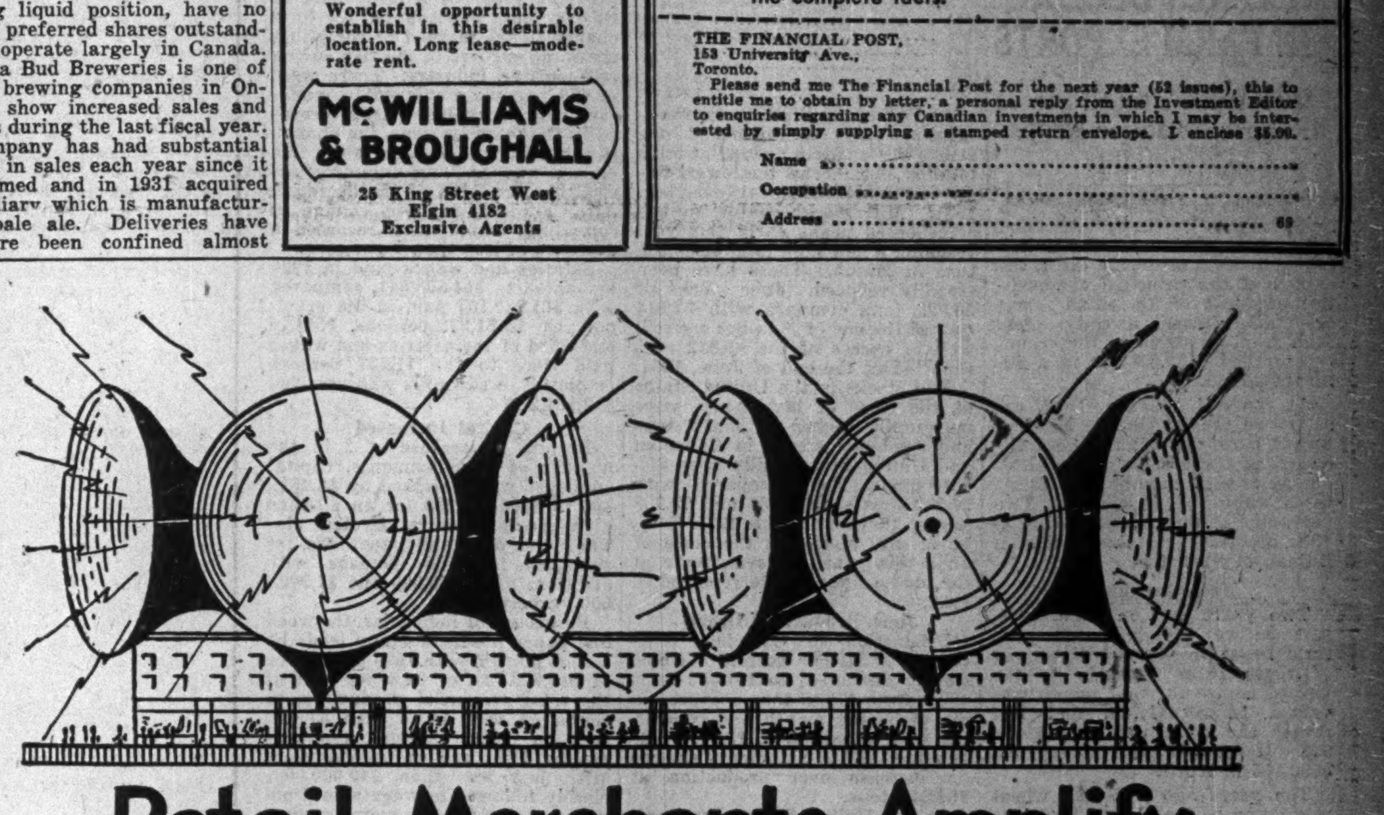

Retail Merchants Amplify
The Manufacturer's Advertising Message

WHEN the selling of a manufacturer's product is taken up enthusiastically by retail merchants the latter virtually become rebroadcasters of the manufacturer's message in a manner that assures proper direction, sympathetic attention and a maximum of effect for a minimum of effort in reaching a large body of consumers.

The retailer becomes the microphone through which the manufacturer's message is amplified and directed to where it will do the most good. Such a voice is well directed and inspired.

Compared with it, the message which some manufacturers continue to send out in a hit or miss fashion, ostensibly to the consumer, becomes little better than a voice crying in the wilderness.

THE RETAIL STORE IS THE MOST EFFECTIVE MEDIUM THROUGH WHICH TO REACH THE CONSUMER — Here's part of the reason:—

The retail store represents the actual point of sale where a minimum of effort brings immediate action.

The retailer's recommendation or suggestion of a trial, carries more weight with the consumer than any printed matter can hope to do.

ARE YOU SURE THE RETAILER IS MOST EFFECTIVELY SELLING YOUR PRODUCT TO THE HUNDREDS OF CONSUMERS WHO ARE IN AND OUT OF HIS STORE DAILY?

Don't forget that the retailer is in the vanguard of the attack on sales resistance for the manufacturer's product. Has he adequate information about your line to use for ammunition?

The pages of good business publications offer the most direct and economical method of effectively reaching the retailer, and through the retailer — the consumer of your product.

We have a proposition of special interest to you under present conditions. Ask us about it.

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Produced in Canada Textiles and Accessories

PLAN ADDITIONAL STORAGE CAPACITY AT VANCOUVER

Federal Government Will Undertake 1,475,000 bu. Project; Cost $375,000

From Our Own Correspondent

VANCOUVER.—An important addition to Vancouver's grain storage facilities has been decided upon by the federal government, and elevator capacity will be increased to the extent of 1,475,000 bushels.

This project, to cost about $375,000, will be hastened so that the new accommodation will be ready to receive grain early in October. The new capabilities will enable the port to store 17,703,000 bushels at one time and will expedite shipments to such an extent that the present "permit" system adopted here by the railways will be virtually eliminated.

Facilities Swamped

In recent years, with millions of bushels of grain pouring out of line elevators in Alberta and Saskatchewan, Vancouver terminal storage has at times been swamped to the extent that the Canadian Pacific and Canadian National Railways have been forced to put the brakes on by restricting westbound traffic.

When wheat starts moving to the coast this year following the commencement of harvesting, Vancouver will have public elevator space for 3,350,000 bushels. In the aggregate the publicly-owned elevator accommodation will equal that at the head of the lakes.

No. 3 elevator (Burrard) will be enlarged by 1,000,000 bushels. This plant is owned by the Harbor Board and operated as a semi-private house by United Grain Growers, under lease. Its present capacity is 1,650,000 bushels.

No. 1 elevator, leased from the Harbor Board by Vancouver Terminals, Ltd., and operated as a public house, will receive additional bins to care for 475,000 bushels. It is now able to handle 1,250,000 bushels.

No. 2 elevator, for some years operated by lessees, is again under Harbor Board control and will be operated as a public house this season. The other terminal grain houses here are operated semi-privately. They are: No. 3, which is being enlarged; Vancouver Terminals (formerly Spillers) 4,870,000 bushels; Columbia Grain, 183,000 bushels; Alberta Pool, 5,150,000 bushels, and Midland Pacific, 1,500,000 bushels.

TEN YEAR SURVEY REVEALS DECLINE IN FARM EXPORTS

Trade With United States in Agric. Produce Drops $163,000,000

Ten years ago, when many farm products were on the free list, and others were admitted to the United States under a moderate tariff, the export of the principal commodities produced on Canadian farms or manufactured directly from such farm products to that country totalled $174,000,000 in a 12-month period.

At the end of June, 1932, exactly two years after the Hawley-Smoot tariff went into effect the export of these same commodities during the 12 months had fallen to a value of $8,849,404. Two years ago it amounted to $47,320,639, according to the Dominion Bureau of Statistics.

Now One-tenth

Two years ago, in June, 1930, just before the increased high tariff began to operate, the export of these farm products to the United States for that month was valued at $3,241,709, and last month the value was only $216,978. It was $310,557 in May and $590,195 in April.

Ten years ago Canadian wheat was going to the United States to the value of about $102,000,000 in the 12 months. Under a tariff of 42 cents per bushel it is down to $2,502,013.

Cattle were going across the line to the value of over $21,000,000. That trade is down to $649,890. The duty is 3 cents per pound.

Wheatflour Exports Disappear

Wheatflour exported to the United States was valued at over $12,000,000. Under a tariff of $104 per 100 lb. it is down to $1,963.

Fresh beef is now taxed 6 cents per pound and the export in a year has fallen from about $4,500,000 to $38,120. Mutton, now taxed 2½ cents per pound, is down from $1,500,000 to $761.

Butter, with 14 cents to pay, is down from about $2,300,000 to $146,502. Cream, taxed 56 6/10 cents per United States gallon, is down from over $2,000,000 to $186,423. Hay has to pay $5 per ton and is down from $4,761,000 to $119,418. Wool, called on for 37c. per pound has dropped from $2,226,000 to $164,393.

Yet, despite the high tariff of $20 a head on horses, the export of these fine Canadian animals to the United States has begun to go up. When the duty was only 10 per cent, 2,526 were purchased, but in the last 12 months, with the duty doubled, the number was 6,659 and the year before 6,645. Some other articles of commerce, such as maple sugar, have experienced a similar increase.

Gain in Flour Exports Reported in June

From Our Own Correspondent

MONTREAL.—For the first time in some months, exports of Canadian flour showed an increase in June as compared with the same month last year. Total exports for the month of June were 570,861 barrels compared with 490,294 barrels in June, 1931. Values at $1,962,785 showed an increase of $200,000.

For the eleven months ended June, however, there is still a wide decrease in exports. In that period shipments were 4,937,215 barrels valued at $17,128,545. This compared with 6,234,696 barrels shipped in the first eleven months of 1931 when values were $25,952,977.

Newsprint Production In First Half of 1932 Lowest in Five Years

Canadian Output Declines 13 Per Cent From Last Year

MILL STOCKS DOWN

Reduction in Stock on Hand is Encouraging Feature of June Activity

From Our Own Correspondent

MONTREAL.—Figures covering newsprint production in the first six months of the current year give a clear indication of the parlous condition of the industry. Not since 1927 has a first half year's output touched a figure as low as it was on June 30, 1932; in view of the wide increase in mill capacity the difficulties of the situation are obvious.

There is, however, one encouraging factor in data released by the News Print Service Bureau. This relates to mill stocks in Canada which have been reduced to the lowest level recorded this year. They are still well in excess of the figure reported in June, 1931, but the reduction from the high figures recorded earlier in the year is worth noting.

Half Year Production

Production of newsprint in Canada for the first six months of this year amounted to 999,885 tons. This compared with 1,150,768 tons in the same period last year. Following are comparative figures of Canadian production for the first six months of the past six years:

	First six months Tons
1932	999,885
1931	1,150,768
1930	1,284,168
1929	1,311,322
1928	1,158,723
1927	997,669

In other words, Canadian mills produced 150,883 tons less in the first six months of 1931 which was a decrease of 13 per cent. The output in the United States showed a decline of 8 per cent in the first half of the year; Newfoundland output was off 4 per cent and Mexico declined 1,593 tons making a North American decrease of 205,614 tons in the first six months or a decrease of 11 per cent.

This decline in total production corresponds, on a percentage basis, exactly with the drop recorded in the first six months of 1931 as compared with the first half of the preceding year.

North American Output

Following are figures on six months production in the first half year of North American mills:

	First six months Tons
1932	1,691,454
1931	1,897,068
1930	2,118,774
1929	2,141,397
1928	1,996,899
1927	1,878,981

As regards mill stocks improvement is shown. At the end of June stocks at Canadian newsprint mills totalled 50,029 tons, the lowest figure to be recorded since November, 1931. Mill stocks soared to unprecedented peaks early this year reaching a new high total of 63,548 tons in March. These have been steadily reduced. June stocks of 50,029 tons compare with 57,014 tons at the end of May but are still well in excess of the 39,832 tons reported at the end of June, 1931.

Mill stocks in the United States at the close of last month were marginally higher at 35,502 tons and combined stocks in Canadian and United States mills were 85,531 tons. This compared with 87,239 tons at May 31 and 73,738 tons at the end of June, 1931. Combined mill stocks at the close of June this year, however, were at the lowest figure to be reported in 1932.

June Production Drops

Production in Canadian mills showed a further decline in June. Output amounted to 161,368 tons, down from 175,87 tons produced in the preceding month and comparing with an output of 193,971 tons in June, 1931. Shipments showed an increase over production at 164,310 tons.

In the United States June production was 85,399 tons, down from 88,087 tons reported in the previous month. Output last month was the lowest figure to be recorded by the United States mills in any one month for many years; in June, 1931, production was 101,086 tons.

Combined June Production

Combined production of Canadian and United States mills in June was 246,767 tons which compared with 263,974 tons in the preceding month and 295,057 tons in June, 1931.

In Newfoundland production of 25,721 in June showed an increase compared with 24,627 tons reported in May and was slightly better than the 25,220 tons produced in June last year. Mexican output was slightly lower at 1,501 tons.

INLAND FISH CATCH DROPS 24 PER CENT

Value of 1931 Production Decreases Mainly Through Price Drop

Canada's inland fisheries in 1931 had a production valued at $4,386,171, a decrease of 24 per cent from the previous year's total of $5,791,860. The decrease, in the main, is accounted for by the drop in prices of fish as Ontario production was only 5 per cent less in quantity than in the previous year while the Prairie Provinces and Yukon were about 14 per cent less.

Whitefish is the chief fresh water commercial fish, the catch in 1931 amounting to 155,831 cwt. valued at $1,425,482. Of this total 52,933 cwt. worth $645,784 was the product of Ontario waters. Next in order of importance come lake trout and pickerel.

There were 9,195 men engaged in catching and landing the fish of which 3,865 were employed in Ontario. Over five million dollars was invested in the industry in 1931, Ontario being responsible for more than 60 per cent of the total amount.

Marketed Value of Inland Fish

	1931 $	1930 $
Ontario	2,477,131	3,294,629
Manitoba	1,241,575	1,811,962
Saskatchewan	458,056	234,501
Alberta	184,859	421,258
Yukon	29,550	29,510
	4,386,171	5,791,860

Roby's Products Declared Bankrupt

From Our Own Correspondent

MONTREAL. — Roby's Products Ltd., manufacturers of graphite and other propounds and roofing materials, has been declared bankrupt and its assets will be put up for sale by tender on July 22. Properties comprise a building valued at $85,000, and machinery and office furniture at $8,500. Land and buildings are subject to a first mortgage.

The company was formed in 1927 and its securities fairly widely distributed. Capital stock comprises $625,000 8 per cent cumulative preferred par value $10 and 200,000 of no par common. No dividends have been paid on the shares and no financial statement has been made public since its inception.

The company was formerly known as the International Graphite Corp. It owned patents for processes and machines for manufacturing Roby's Fabric Roofing.

VALUE PRODUCTS IN B. C. AND YUKON OFF 11.9 PER CENT

Lower Lumber Output in 1930 is Mainly Responsible

Decrease of $20,000,000, or 30 per cent, in the value of the output of sawmills is mainly responsible for the 11.9 per cent drop in the total value of manufacturing production in British Columbia and Yukon during 1930. Total production in 1930 had a value of $241,121,932 as compared with $276,950,914 in the previous year, according to the report of the Dominion Bureau of Statistics.

Central electric stations output declined in value $2,700,000 as compared with the previous year but the majority of the other leading industries held up well, the output of pulp and paper actually having a value of almost $1,000,000 more than 1929.

Employment was off 16.7 per cent in 1930 as compared with the previous year but a large part of this decrease is accounted for by a change in the method of compiling the wage earners in the fish curing and packing industry. There were 42,779 persons employed in manufacturing as against 51,379 recorded in the previous year, the change in compiling the number in the fish curing and packing industry accounting for 5,186 of the decrease. After allowing for this change in compiling, employment recorded a decrease of less than 7 per cent.

Salaries and wages paid in 1930 amounted to $54,898,541, compared with $61,980,107 paid in the previous year to 51,379 persons. Nearly one-third of the salaries and wages paid were to the 11,737 persons employed in sawmills who received $13,134,242.

Capital Increased

Despite a decrease of 2 in the number of establishments, capital employed was increased by $8,461,365 to $403,328,298 for an all-time high record. Central electric stations and pulp and paper are responsible for this increase with additions of $7,400,000 and $1,900,000 respectively.

By groups of industries, the wood and paper products group leads by a wide margin with 1930 production of $83,953,035, or 34.8 per cent of the total provincial production, as compared with more than 37 per cent in 1929. Animal products, mainly fish, are in second place with just less than $40,000,000, closely followed by vegetable products and non-ferrous metal production.

Chief manufacturing statistics for the province are:

Manufacturing in B. C. and Yukon

	Plants	Capital	Value of Products
1926	1,495	$329,008,375	$247,275,254
1927	1,509	325,047,266	244,344,825
1928	1,624	367,898,589	268,627,691
1929	1,699	394,866,933	273,681,585
1930	1,697	403,328,298	241,121,932

Ten Leading Industries in B. C. and Yukon

	Value of Products 1930	Value of Products 1929
Sawmills	$44,975,389	$64,637,301
Fish curing & pack.	21,131,067	21,741,910
Pulp and paper	17,785,550	16,896,652
Slaughtering and meat packing	11,004,558	11,744,300
Central electric	10,817,779	13,574,731
Petroleum prod.	9,636,105	8,729,402
Printing & publish.	6,501,149	6,449,982
Bread and Bakery	5,877,133	5,638,338
Butter and cheese	5,589,298	5,049,793
Sheet metal	5,587,736	5,017,420

QUEBEC COMMISSION GIVES 4TH REPORT

Social Insurance Body Makes Recommendations Affecting Workers

A large number of recommendations affecting problems of industrial workers are made in the fourth report of the Quebec Commission on Social Insurance which has just been made to Hon. J. C. Arcand, minister of labor. The recommendations deal with the Quebec Industrial Establishment Act, the matter of industrial hygiene, with which the provincial Bureau of Health is concerned, and the workmen's compensation legislation. The report makes certain recommendations looking toward co-ordination of the three activities, and lays down some amendments desired to provincial statutes on these subjects. It is found that the regulation are insufficient.

Members of the commission in their study of the problems were much inspired by the Ontario system, in which, the report states, the legislation compares advantageously with that of other provinces.

The commission is composed of Professor Edouard Montpetit, chairman; Mgr. Georges Courchesne, Bishop of Rimouski; Archdeacon George Scott, John T. Foster, Gererd Tremblay, deputy Minister of Labor, Dr. Alphonse Lessard, director of the Provincial Bureau of Health, and George Arthur Savoy, former president of the Canadian Manufacturers' Association, Quebec division.

NEW PROVISIONS MANITOBA LAWS SOON EFFECTIVE

New Company Act Due on Aug. 1 and Insurance Act Sept. 1

Manitoba's new laws affecting all companies doing business in the province will become effective August 1, and new laws relating to insurance will become effective September 1, according to a recent decision of the Manitoba government. This legislation is part of the consolidation and revision of statutes programme being carried on by Hon. W. J. Major, K.C.

In addition to consolidating laws now scattered through 15 statutes the new Companies Act provides greater protection for public and minority stockholders, and does away with the present system of creating letters patent. The act applies to joint stock companies, insurance companies, co-operative societies and every form of company.

Must File Prospectus

Starting August 1, every company doing business in Manitoba will be required to file a prospectus with the provincial secretary, of its charter and organization by-laws, listing what issues of stock have been made, what mortgages are outstanding, and all information relating to stock issues and debentures. Any person, interested in a company will be able to go to the provincial secretary's office and see the records.

All existing companies in the province will have an opportunity to register with the provincial secretary before the end of the year by filing a nominal fee of one dollar. Next year a fee will be set for the entire year.

After August 1 all letters patent will be issued by the provincial secretary instead of by the more cumbersome system now in vogue by order-in-council.

Insurance Act Consolidates

The new insurance act follows in form and sequence and largely in substance the Ontario Act. In its new automobile insurance provisions it makes insurance money payable to the person injured, who now can sue the company for it on the policy held by the person whose car inflicts the injury. This provision also is included in the Highway Traffic Act.

A new provision makes it necessary for insurance adjustors to be licensed as well as agents. Fraternal societies also now have to be investigated before they obtain licenses. The new act consolidates all matters relating to insurance policies and defines the powers and duties of the province relating to inspection and licenses.

Pacific Mills Earnings Lower in Last Year

From Our Own Correspondent

MONTREAL.—Pacific Mills Ltd., operating pulp and paper mills at Ocean Falls, and a paper-converting plant at Vancouver, reports net profits after bond interest, depreciation, and taxes, for the year ended April 30, 1932, at $215,904. This compares with a net profit of $413,515 in the year ended April 30, 1931.

After payment of $119,934 in preferred dividends, there remained a surplus of $97,970 which brought total surplus to $6,282,968.

Pacific Mills is a subsidiary of Crown Zellerbach Corp., one of the largest newsprint producers in the United States and a strong factor in the mid-west and Pacific coast trade.

Canada's Empire Trade Shows Increase in 1931-2

Total Now $368,000,000 Representing One-third of Total Canadian Trade

From National Revenue Review, July, 1932

The proportion of Canada's world trade transacted within the British Empire is increasing. During the past fiscal year this increase, compared with the previous year, amounted to 3 per cent in imports, and 1.3 per cent in exports. Comparative increases were recorded also in Canada's trade with the United Kingdom in the past year, imports 2 per cent, exports 2.6 per cent. During the same period Canada's import and export trade with the United States dropped proportionately 3.7 per cent compared with the previous fiscal year. Trade with other foreign countries showed a proportionate drop of 3 per cent imports, and 1.9 per cent exports.

Canada's imports from British Empire countries in the past fiscal year amounted to $147,825,853, exports to countries within the Empire to $220,328,743. These figures total about one-third of the Dominion's entire import and export trade.

Canada's empire trade is today being carried on more directly with the importer or exporter country instead of through the United States. Five years ago nearly 8 per cent of Canada's total imports from Empire countries, excepting the United Kingdom, entered via the United States, while in the year ended March 31, 1931, this percentage was less than 2 per cent. In the same period the percentage of total imports from the United Kingdom via the United States decreased from .44 per cent to .12 per cent. Percentage of total exports to countries of the British Empire, other than the United Kingdom, via the United States, dropped in the five-year period from 15 per cent to 17 per cent, and to the United Kingdom from 48 per cent to 36 per cent.

Empire countries carrying on the heaviest trade with Canada during the past fiscal year, together with trade transacted with each country, were:

Canada's Total Trade with Leading Empire Countries

(Fiscal Year Ending March 31, 1932)

United Kingdom	$281,212,318
Br. South Africa	12,725,045
Australia	11,086,778
Newfoundland	8,384,420
British India	8,143,167
Jamaica	7,124,364
Br. Guiana	5,353,641
Trinidad	5,302,018
New Zealand	4,808,730
Other Br. West Indies	3,987,432
Barbados	3,794,437
Fiji	2,743,142
Irish Free State	2,707,420
Bermuda	2,092,396

NATIONAL BRICK ON AUCTION BLOCK

Property to Be Put Up For Sale on July 29

From Our Own Correspondent

MONTREAL.—Property assets and effects of National Brick Co. of Laprairie at present owned by bondholders, will be put up for sale by public auction on July 29, 1932. The sum of $1,562,500 has been fixed as an upset or reserve bid at the auction and no lower sum will be considered.

At the auction, a new company whose name has not been disclosed, will place its bid. If successful the structure of this new company will be expanded and its securities distributed between the Cooksville Co. and bondholders of National Brick Co.

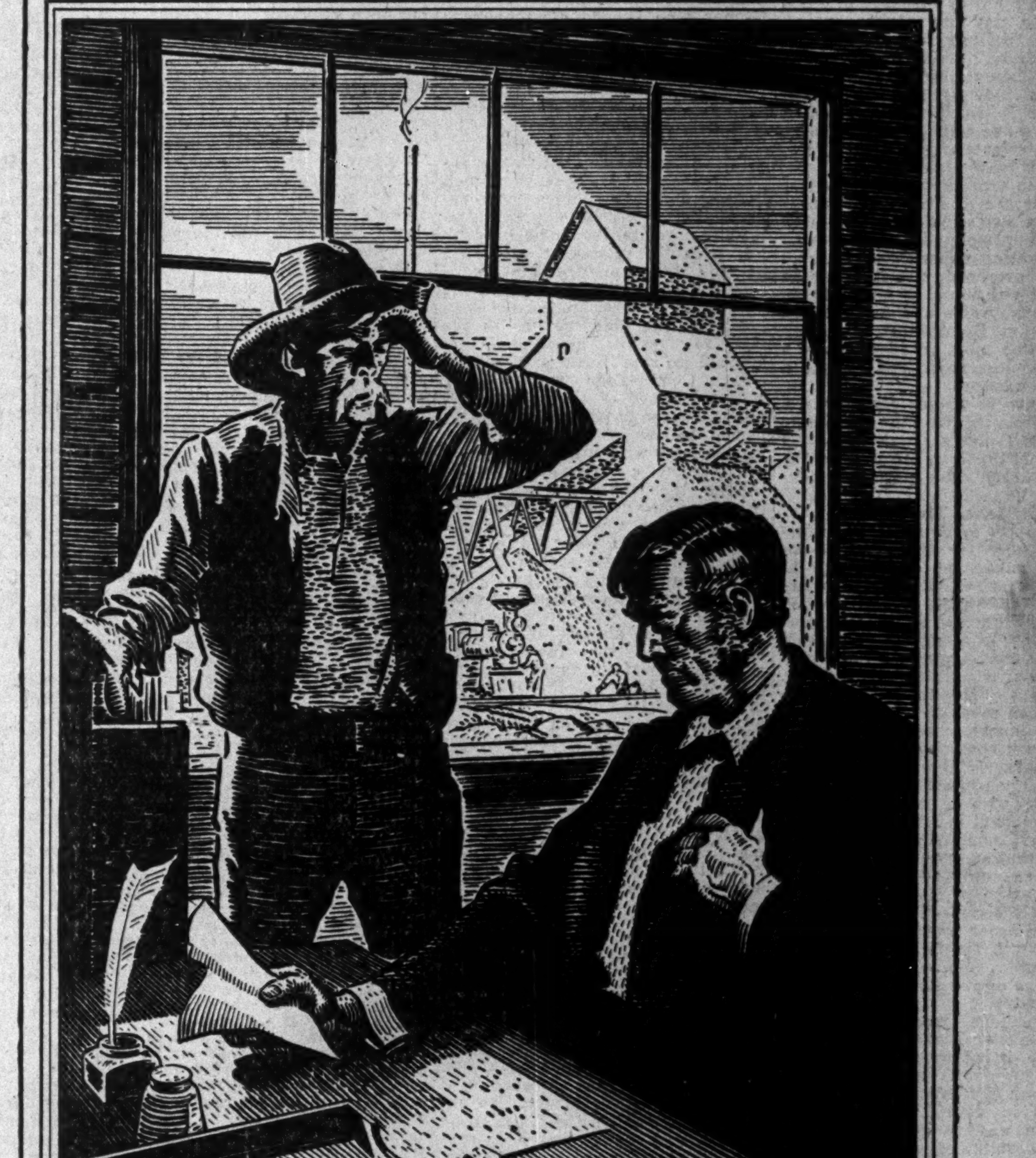
The 6 per cent Class "B" preferred shares of the new company to be received by National Brick bondholders will be entitled, at all times, to elect one third of the board of nine directors; shall be cumulative from May 1, 1933; non-voting except when four quarterly dividends are in arrears, when each share shall have ten votes.

Common shares in the new company shall at all times be entitled to one vote per share but voting rights will at all times be vested until May 1, 1934, in interests representing the National Brick bondholders.

Apple Grading Proves Effective

At the 20th annual meeting of the United Fruit Companies, comprising 51 co-operatives of the Annapolis Valley, the president, H. O. Bishop, reported that the overseas markets are showing increased confidence in Nova Scotia apples since the functioning of the new grading system. The co-operative companies, embracing some 2,000 growers, shipped 411,703 barrels of apples during the past season, this being about one third of the total for the province. A six per cent dividend was declared.

THE STORY OF A GREAT CANADIAN INDUSTRY—INTERNATIONAL IN SCOPE



"Stop Shipments of Ore!

. . . . we cannot separate the Nickel and Copper"

In 1887, the newly opened mine at Copper Cliff, Ontario, seemed faced with ruin. Several hundred cars of ore had been shipped to two smelters in the United States. Then like a bolt from the blue came the crushing news. The ore was found to contain Nickel. The smelters could not handle such ore—they could not separate the copper from the Nickel.

Again, as in ancient days, the presence of Nickel was about to play havoc with the usual copper smelting process. Unless a solution of the problem was discovered, both the mine and the company which had contracted for a large tonnage of its ore were faced with ruin.

Interesting indeed that "Nickel" which, in the eighteenth century made the miners of Saxony throw up their hands in despair because it made their ore, hard, brittle, unworkable and which in 1887, almost brought ruin to the new Sudbury mines, is today one of International Nickel's greatest assets. Interesting too, that this metal is valued today largely because of those same qualities of hardness, strength and toughness which made it the dismay of miners and metallurgists for two thousand years.

It was only after years of constant research that these characteristics of Nickel were finally turned to practical use in industry. This research still goes on—for it is only by demonstrating the superiority of Nickel Alloys over other metals for industrial uses and by helping industries better their products through the use of Nickel that new markets can be developed, plants kept operating and workmen employed.

INCO NICKEL
INCO MONEL METAL

Greater use of Nickel and Monel Metal means a greater measure of prosperity for Canada.

Large ore reserves are of little value unless a correspondingly large demand exists—world markets are essential.

THE INTERNATIONAL NICKEL COMPANY OF CANADA
LIMITED

Insurance for Buyer and Seller

LLOYD'S HISTORY DATES FAR BACK TO 17TH CENTURY

Newly-Licensed Organization One of Most Famous in World

MAKES CONCESSION

Will Deposit Money in Quebec in Event of Disputed Claim Against Members

An important concession has been made by Lloyd's in order to qualify for a non-marine license in the province of Quebec, The Financial Post understands.

This involves an arrangement whereby Lloyd's Underwriters, in the case of any judgment or claim against Quebec business being taken to the courts, agree to immediately deposit in the province in the hands of qualified trustees, a sum adequate to meet such claim in the event of a judgment being decided against the group.

This is understood to be an unusual and important concession on the part of this famous group.

In order to give readers of The Financial Post some concrete idea of the nature of the organization recently licensed by the Quebec government and which promises to be a pivotal point around which insurance jurisdiction strife in Canada will centre from now on, the following description is briefed from the annual calendar issued by Lloyd's.

"Toward the latter part of the Seventeenth Century, the commercial community interested in shipping met at a small coffee-house kept by a man of the name of Edward Lloyd, first of all in Tower Street, and, after 1691, at the corner of Abchurch Lane and Lombard Street, in the City of London. The name of this coffee-house keeper has come down from generation to generation in connection with the greatest shipping and marine insurance transactions of the world.

"Before his time marine insurance appears to have been conducted in England by the Lombards, who came from Italy and gave their name to Lombard Street, but from the time that Lloyd established his coffee-house, where seafaring men jostled against merchants, Britons conducted marine insurance in England.

"There is still preserved at Lloyd's a policy of marine insurance dated Jan. 20, 1680, upon the good ship called the 'Golden Fleece,' of 250 tons (Gasper Hicks, Master), for a voyage from Lisbon to Venice, at the rate of £4 per cent.

"Edward Lloyd, a man of wisdom and enterprise, was the founder of that great system of commercial and maritime intelligence which has ever since been carried on by Lloyd's.

Started Newspaper

"In 1696 he started a newspaper, which gave a list of ships whose arrivals and sailings had been reported. That newspaper, which he called Lloyd's News, succeeded admirably for a short time, but criticism was not much tolerated in those days, and Edward Lloyd ventured to write an article which called in question the action of the House of Lords with regard to silks. The House of Lords apparently resented this; they immediately censured Edward Lloyd, and suppressed his newspaper, and it was not until 1726 that it was re-established, under the name of Lloyd's List. Since that date Lloyd's List has appeared regularly, and is still printed and published as a daily shipping and commercial newspaper at Lloyd's, Royal Exchange, in London, as Lloyd's List and Shipping Gazette.

"The frequenters of Lloyd's coffee-house were not permitted to enjoy for long the monopoly of marine insurance, and in the year 1720, Parliament allowed two marine insurance companies to be established in London.

"In the year 1770 those frequenters of Lloyd's coffee-house whose particular business was marine insurance formed themselves into an alliance, and moved to Pope's Head Alley, taking with them Lloyd's List. In 1774 they removed to the Royal Exchange, where the Corporation of Lloyd's is still established. In the same year the Underwriters of Lloyd's found it necessary to have complete information with regard to the construction and condition of the ships which they insured, and they accordingly established a Register of Shipping. This undertaking grew and prospered, and is still carried on by 'Lloyd's Register of Shopping.'

Monopoly Abolished

"In the year 1810 a select Parliamentary committee was appointed to enquire into the monopoly of marine insurance, which was held by Lloyd's and the two marine insurance companies referred to above. The committee recommended that the monopoly should be abolished, but the House of Commons decided that Lloyd's had rendered a great service to the country, through the long years of war with France, by supplying the government with information in regard to maritime matters and, together with the marine insurance companies, by insuring the arrival in this country of merchant ships and their valuable cargoes. The House, therefore, resolved that no alteration should be made, but ten years later, in 1820, an Act was passed by which marine insurance in this country was thrown open, and since that date many other marine insurance companies have been established, and these companies together with Lloyd's form the marine insurance market of London.

"Lloyd's was incorporated in 1871 under Lloyd's Act of that year, having previously existed for about 200 years as an unincorporated society of underwriters, which had since 1811 been regulated by a deed of association and by rules from time to time made under that deed.

"This act was amended by Lloyd's Act, 1911, under which the objects of the society were extended to meet the requirements of modern developments.

No Liability to Society

"The society itself does not issue or assume any liability under policies. All the underwriting business at Lloyd's is transacted by the individual members of the society, each of whom carries on his business for his own account and risk, either himself or through an authorized underwriting agent, the general practice being for several members in association, but not in partnership, to carry on their business through a single agent who underwrites and acts for the whole group.

"The corporate affairs of the society, as distinguished from the individual underwriting businesses of the members, are managed by the committee of Lloyd's, which is elected from and by the general body of members.

"The committee of Lloyd's, as a body, is only interested in the insurance business carried on at Lloyd's to the same extent that the committee of the stock exchange is interested in the business carried on by its members, namely, the laying down of regulations to safeguard the interests of members as well as those of policyholders.

"Every member is legally liable in respect of his engagements under Lloyd's policies up to the full extent of his means; in other words, his liability is unlimited.

Deposits With Committee

"All candidates for admission to underwriting membership have to deposit with the committee such security for their underwriting liabilities as the committee, in their discretion, may think fit to require. The security, which is always in the custody of the committee, consists of approved first-class investments. These amount, at the present time, to over £10,000,000, and are supplemented by annual guarantees in accordance with the requirements of the Board of Trade under act of Parliament. The deposits are subject to trust deeds which make them exclusively available for the discharge of underwriting liabilities contracted at Lloyd's.

"In addition to a member's own means, and to the security which he has furnished, holders of Lloyd's policies are further protected by the fact that every member of Lloyd's must furnish annually to the committee a certificate by a public accountant approved by the committee (in a form approved by the Board of Trade) that his underwriting assets and security are sufficient to meet his liabilities, and that his premiums are placed in trust, in accordance with the provisions of a trust deed approved by the Board of Trade

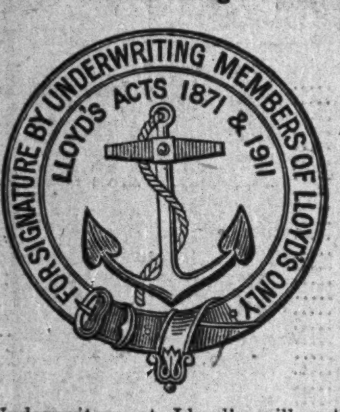
"The security provided in respect of each separate year's business by every Lloyd's underwriter engaged in fire and other non-marine business consists of:

"1. Unlimited personal liability of the underwriter.

"2. A sum of money secured by a trust deed and certified, by independent auditors at the end of each year, to be sufficient in the light of experience to satisfy the liabilities undertaken by the underwriter in that year, and

"3. A separate guarantee or cash deposit for an amount equal to the aggregate amount of the premiums received in that year on fire and other non-marine business to be available for the payment of claims thereon should the above trust funds and all other assets of the underwriter become exhausted.

Famous Insignia


FOR SIGNATURE BY UNDERWRITING MEMBERS OF LLOYD'S ONLY
LLOYD'S ACTS 1871 & 1911

Underwriters at Lloyd's will not sign a policy unless it bears the famous Lloyd's Anchor Seal, shown above. The seal indicates that the policy is signed by underwriting members of Lloyd's only.

Shows Investment Return From Life Insurance To be Over 5.57%

Actuarial Analysis of Return to Policyholder Yields Gratifying Results — Vindicates Insurance as Investment

By M. ALBERT LINTON, F.A.S., F.I.A., F.A.I.A.
(Briefed from Annals of the American Academy of Political and Social Science, May, 1932)

The problem of the investment return from life insurance has no ready solution. The basic concepts underlying the life insurance contracts are simple, but many of their ramifications are not. We discover that this is true when we seek to calculate the investment return in living benefit which may be realized from a life insurance policy. By living benefits we mean those which accrue from the continued life of the policyholder and not those which accrue to the benefit of the beneficiary when the life insurance company pays a death claim. The amount then paid frequently exceeds by several hundred per cent the premiums paid by the policyholders. However, this abnormal gain is not an investment return in the sense in which it will be used here.

The premium which is paid each year upon say an ordinary life policy, is made up of two elements; an investment element which builds up the cash values guaranteed in the policy and an insurance protection element which enables the company in the event of death to pay not only the amount of the cash value, but also the amount that must be added to make the payment equal to the face of the policy.

Remove Protection Element

In order to make any headway in computing the interest returns upon the investment element of the premium, it is necessary first to remove the protection element and to concentrate upon the investment element alone. If this is not done the results will be as misleading and as unwarranted as the claim of an enormous rate of investment return when an insured person dies prematurely. Unless life insurance enthusiasts make the distinction between the investment and the protection elements in life insurance contracts they cannot expect writers in the investment field to take them seriously.

The reason the separation of the two elements in a life insurance policy has been made so infrequently is that the necessary calculations are complicated. This is to be regretted for the misconception resulting from the failure to employ sound methods of analysis have been widespread. Repeatedly, one encounters the statement that life insurance is valuable as protection but of little value as an investment because the interest return is too low.

Basis of Test

In order to have an analysis that will rest upon a broader foundation than that furnished by the experience of one company only, composite figures supplied by ten well known mutual life insurance companies have been used. The ordinary life policy has been chosen for the test. The period over which the test is made runs from the date the policy is issued until the policyholder reaches age 65. It is assumed for convenience that $50,000 of ordinary life insurance is taken simultaneously in ten policies of $5,000 each, one in each company. The net outlay assumed to be made each year on this insurance is based on the dividend schedules in use by the ten companies in 1932.

The method of approach is simply to assume that instead of making the series of net payments year by year on the regular policy exactly the same series of payments will be divided into two parts, one of which will be used to purchase bare term insurance protection year by year under a yearly plan which provides for yearly renewal with an annual increase in rate corresponding to the increase in age. The other part of the payment will be invested in a separate investment fund. The amount of the term protection purchased each year will be the difference between $50,000 and the amount in a separate investment fund. As the fund increases the amount of term protection necessary decreases. Thus, by substituting this combination plan for a regular life policy exactly the same amount will be paid out each year and in either programme beneficiaries will receive $50,000 in cash in the event of death of the policyholder.

Return on Cash Value

The policies covering the $50,000 of regular life insurance contains guaranteed cash values so that we can readily find the cash value of that insurance at age 65. This is a specific contract provision or a definite living benefit which corresponds quite closely to the separate investment fund of the combination plan. What we are seeking is the rate of interest at which the separate investment fund, under the combination plan, must be invested in order to equal the guaranteed cash value of the $50,000 of regular insurance at age 65.

When all the complicated calculations have been made, it is found that the separate investment fund must earn considerably more than 5 per cent compound interest over the period to age 65 in order for the fund to equal the guarantee of the cash value of $50,000 of regular life insurance. This compound interest rate is a net rate after allowing for taxes, expenses, loss of principal, and interest, delay in the investment of interest and principal. The interest rates vary for the different ages at commencement of the plan but in the tests made for the four ages, 25, 35, 45, and 55, in each instance, carried to age 65, the lowest rate disclosed was 5.57 per cent.

It is on a result such as this that life insurance companies base their claim that the living benefits of life insurance contracts involve a satisfactory interest return to the policyholder upon the investment element in the premium. In addition, of course, there is the insurance protection element which performs the invaluable service of protecting the insured's family should time not be granted to complete the investment programme. If death should cut short that programme the protection element provides the family with the face amount of the policy no matter how small may be the accumulation of the investment element at the time of death

Reason for High Rate

A rate of 5.57 per cent may seem unusually high to the laymen. The company is not realizing that much on their own investment. The reason for the high figures are two: First, the combination of the protection and the investment element in one contract involves savings in operations as compared with the heavy burden of overhead borne by term insurance when issued alone. Second, experience has simply demonstrated the likelihood of its high rate of mortality among policyholders carrying renewable term insurance contracts. This form of insurance offers an opportunity for severe "adverse" selection against the company. Life insurance companies can give insurance protection most chiefly when it is combined with a substantial investment element.

One of the criticisms which will be raised is that the current net cost schedules of the ten companies have been used, and that such a result might be materially altered were these schedules not maintained and dividends reduced. Mr. Linton's answer to this criticism is that if we incline to the belief that a compound interest return of 5.57 per cent is satisfactory in the light of current conditions, then whatever return is actually realized will appear satisfactory when compared with the net return which probably would have been realized over the entire period on the separately invested funds.

"The same economic forces," he says, "which operate upon the conservatively invested fund of the life insurance companies would at the same time have been operating upon the investments of the separate funds. The effect upon the separate funds might be even more severe unless it was invested with great conservatism and were sufficiently diversified to obtain the benefit of the law of average."

Great West Director

S. L. CORK

Western supervisor of the Royal Bank of Canada, with headquarters at Winnipeg, who has been elected a shareholders' director of the Great West Life Assurance Co. to succeed the late F. L. Patton.

PERSONNEL CHANGES FOR EMPIRE LIFE

John Hallam Becomes President, and New Directors Added

John Hallam, of Toronto, has been elected president of the Empire Life Insurance Co. according to a reorganization of the company announced this week. Mr. Hallam succeeds M. P. Langstaff who continues as general manager. Mr. Hallam has been a director of the company since its inception and is president of a company bearing his name in Toronto. He is also a director of Sterling Trusts Corp., and North Empire Fire Insurance Co.

Charles P. Fell, of Toronto, partner of the investment banking house of Matthews & Co., and A. H. Keith Russell, of the law firm of Lester and Russell, of Toronto, have been elected to the board. Mr. Fell and B. R. McKenzie, of Windsor, Ont., have been appointed vice-presidents.

The company's actuary, L. T. Boyd, has been advanced to the position of assistant general manager and actuary.

Mr. Langstaff continues as general manager and J. Ross Paterson as secretary-treasurer, while W. B. Fairley, who for some years has been superintendent of agencies is being placed in charge of the company's affairs in the Province of Quebec, with offices at Montreal.

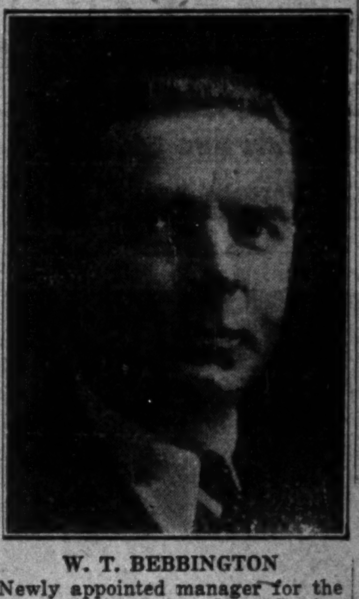
New Manufacturers Plan to Eliminate Indebtedness

A special alternative plan to meet present conditions and eliminate indebtedness on policies encumbered with policy loans and/or non forfeiture indebtedness has been announced by the Manufacturers Life. The new plan is proposed as an alternative to repayment of the outstanding loan which while in most cases would serve the interests of the policyholder best, is at the present time often impossible.

The following table shows the proposals with the present policy and the proposed policy:

	Present policy	Proposed policy
Amount	$4,000	$4,000
Indebtedness	724	Cancelled
Net protection	$3,276	$4,000
Premium	210	218
Interest charges	43	Cancelled
Total annual outlay	$253	$218
Date of issue	July 1, '24	July 1, '30
No. of premiums paid	seven	two

Mutual Life Manager



W. T. BEBBINGTON

Newly appointed manager for the Mutual Life of Canada at Regina following the retirement of Andrew MacBeth, who has held the office for 24 years. Mr. Bebbington was formerly manager at Swift Current and has been with the company 13 years.

Suicides Decline But Total 1,004

There were 1,004 suicides in Canada in 1931, a slight decline from the 1930 figure of 1,010, according to a report issued by the Dominion Bureau of Statistics. In 1929, deaths from this cause totalled only 835.

Preliminary figures for total deaths from external violence were 7,146 as compared with 7,478 the previous year and 7,151 in 1929. Up till 1930 the figure had risen rapidly from a total of only 5,869 in 1926.

Homicides numbered 171 in 1931, giving a rate of 1.7 per 100,000. In 1930 the number of homicides was 214 and the rate 2.1; in 1929 the number was 182 and the rate 1.8.

There were 5,971 accidental deaths in 1931, giving a rate of 58 per 100,000. Both the number of deaths and the rate were smaller than in any year since 1927. In 1928 accidental deaths numbered 6,024, in 1929, 6,134 and in 1930, 6,254. In each of the three years the rate was 61 per 100,000.

Release of Securities Asked By 5 Companies

The following companies, having ceased to transact business in Canada, will apply to the Minister of Finance for the release of securities held on deposit for the company with the Receiver General of Canada:

Sprinklered Risk Underwriters, business rewritten in the Central Manufacturers Mutual Insurance Co. of Van Wert, Ohio, applied on July 11.

Connecticut General Life Insurance Co., applied July 21.

Pacific American Fire Insurance Co., business rewritten in the Liverpool & London & Globe Insurance Co., Ltd., applied July 18.

Aero Insurance Co., business rewritten in the Great American Insurance Co. of New York, N.Y., will apply August 8.

Aero Indemnity Co., business rewritten in the Great American Indemnity Co. of New York, N.Y., will apply August 8.

The Greatest Legacy
of the Canadian people to the next generation
...is life insurance
●
When the Sun Life began business in 1871 life insurance in Canada was $13 per capita.
□□
TO-DAY it is $635 per capita. With one exception, Canadians are now the highest insured people in the world.
□□
The Sun Life has played a leading part in fostering this thrift in the Canadian people and in protecting Canadian homes.
●
SUN LIFE ASSURANCE COMPANY OF CANADA
Head Office :: Montreal

Current Events in Banking World

BANK OF ENGLAND STANDING FIRM AFTER 238 YEARS

Birthday Celebration Recalls Many Crises of Long Life

By ROY HOPKINS

"As safe as the Bank of England" seems (as we gaze upon the severely stern walls of the Old Lady of Threadneedle Street), a very sensible expression, for the bank is in appearance the epitome of solid security as far as can be expressed in masonry. Yet, if we glance through the pages of history, we shall find that the career of the Old Lady, far from being staid and prosaic, bears all the signs of a very adventurous and coquettish youth. When in fact she celebrates her 238th birthday on Wednesday, July 27, the Bank of England may heave a sigh of relief to think that, after years of the most alarming vicissitudes, she has been successfully piloted to the position of one of our foremost national institutions.

It was in the closing years of the 17th century that the idea of a Bank of England was first conceived, not indeed with any idea of founding a national bank for the good of the people, but rather as a means for raising the money which William III needed for his wars in France. "This lame expedient" as the bank was called by the prime mover in the scheme, the adventurer and merchant William Patterson, did not have a bill to itself when Parliament authorized its foundation. There was included in its bill several other means for the raising of the necessary money among which was a clause which "granted to their Majesties several duties upon the tonnage of ships and vessels." On this account the bank was for some time known as the Tonnage Bank.

Chartered in 1694

July 27, 1694, saw the new bank receive its Charter of Incorporation and, under the proud distinctive title of the "Governor and Company of the Bank of England," the directors held their first meeting on that day, thus bringing the bank officially into existence. By the end of the same year the offices were established in the Grocer's Hall and the deposits stored in a chest the size of a seaman's locker. Such were the humble beginnings of the mighty institution which has been freshly clothed in a pleasing new building in Threadneedle St. today.

The year 1696 saw the acid test of the bank's existence. "Borne down by jealous rivalry; compelled to advertise for defaulters and actually obliged to cash the notes payable on demand in quarterly installments," the the child of William Patterson's vision and perseverance struggled for life. It is a tribute to the courage and doggedness of all those concerned with it that the bank passed the crisis and was able to enter upon the succeeding century with confidence and renewed strength.

It was in the 18th century that Threadneedle Street first saw the Bank of England. It was no palatial edifice this new home of the bank and it was scarcely more spacious than the Grocer's Hall. A correspondent in the Gentleman's Magazine tells us that "it was a comparatively small structure, almost invisible to passers by, being surrounded by many others." Whether or not this was so, the doors of the building were first opened on June 5, 1734, and business was commenced on the site which is part of the enormous space of the present structure.

Affected by Rebellion of '45

So greatly did the business of the bank expand during the 18th Century that the number of employees, which before 1737 never exceeded 100, increased to over 400 and it seemed as if the troubles of the directors were at an end. It was not to be however. In 1745 the Old Lady tottered once more on the brink of disaster. The Young Pretender had overrun the North, and coupled with the fear of a French invasion, the people of London hastened to withdraw their savings. The Prime Minister, the imbecile Pelham, Duke of Newcastle, and his equally inefficient brother were at their wits end and a crash seemed inevitable. The bank, to gain time, payed out the sums in shillings and sixpences meanwhile the Pretender was drawing nearer. When all seemed lost, the principal merchants of the city came to the assistance of the Old Lady by declaring their confidence in her safety and qualifying this by accepting payment of debts in notes, the crisis was over.

Twenty-five years passed before the safety of the Bank of England was again threatened. On this occasion it was the mob of Lord George Gordon which caused the trouble. Sacking, burning, and looting they marched through the city until at last the word went round that the bank was their objective. The historian tells us that "the old inkstands were cast into bullets; a strong force placed within, while the military awaited their arrival without the walls." Such a brave resistance took the rioters by surprise and, when the fighting was over, the money was still safe while the bodies of many insurgents lay within the precincts of the building.

Bank Notes a Saviour

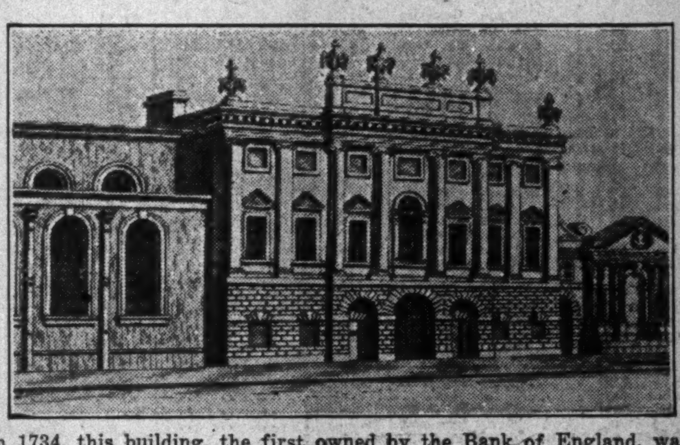
The next landmark in the bank's history occurred in 1797 when Parliament passed a bill restraining the payment of sums of over 20 shillings in cash. This step was taken to counteract the effect which the expenses of the French had had on the bank's reserve. Had not the notes been put into circulation the bank would have been compelled to suspend payment. That this had little effect on its reputation is shown by the fact that two years before the cash payments were resumed in May, 1821, the staff had risen to more than 900.

In 1844 a bill was passed which prevented the bank from issuing more notes than there was gold in the strong rooms thus ensuring the stability of its business. In theory at the present time its notes are interchangeable for gold but various measures have been taken during the war and as a result of the chaotic conditions after the war, which prevented ill-disposed persons from drawing large sums of gold and sending it abroad.

Erect New Building

And now, over 200 years after its inception, the Bank of England is undergoing its latest change. On the shoulders of the Old Lady of Threadneedle Street the Young Lady mounts higher everyday. In two years' time the doors will open upon a new and palatial building worthy to house the world's greatest private banking concern and worthy to house one of England's greatest institutions. Through all the changes and chances of its troubled existence the Bank of England has emerged triumphant and today it is rightly termed the advisory bank of the world.

Between Two Churches



In 1734, this building, the first owned by the Bank of England, was completed. It stood on Threadneedle Street, on the site of the present bank, and was adjoined by St. Christopher's and St. Bartholomew's Churches, shown on the left and right respectively of the above picture.

Weekly Bank Clearings

Eastern Cities	July 16, 1931	July 14, 1932
Halifax	$ 2,779,240	$ 2,061,468
Saint John	2,043,673	1,544,472
Moncton	650,212	761,885
Sherbrooke	504,338	543,421
Quebec	6,095,518	3,784,049
Ottawa	5,398,831	4,010,850
Montreal	97,477,927	70,466,809
Kingston	675,565	622,819
Peterborough	753,885	723,475
Toronto	91,291,486	94,258,588
Hamilton	4,641,487	3,392,691
Kitchener	953,605	791,470
Brantford	887,449	760,152
Chatham	448,322	357,771
London	2,653,402	2,679,621
Windsor	2,981,410	2,201,828
Sarnia	439,842	435,180
Sudbury	757,984	459,045

Western Cities	July 16, 1931	July 14, 1932
Fort William	639,300	551,985
Winnipeg	38,769,179	34,659,214
Brandon	350,160	358,070
Regina	2,948,035	2,288,466
Moose Jaw	629,508	388,422
Saskatoon	1,470,010	1,183,208
Prince Albert	323,081	245,598
Edmonton	4,413,866	3,868,974
Calgary	5,138,174	3,830,523
Medicine Hat	219,889	160,669
Lethbridge	384,585	323,401
New Westminster	517,359	443,148
Vancouver	13,891,746	11,028,050
Victoria	2,586,054	1,872,820

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Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

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Toronto Office: 205 Brock Building
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President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
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Reserves - - - - $ 1,592,088
(Figures as of Dec. 31, 1931)
*
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CHARLES P. FELL, Vice-President
B. R. McKENZIE, Vice-President
A. H. KEITH RUSSELL
A. H. VANDERBURGH
J. M. VAUGHAN
M. P. LANGSTAFF, A.I.A., F.A.S., General Manager
L. T. BOYD, A.A.I.A., Asst. General Manager and Actuary
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City Mortgages and Properties 24.6%
Policy Loans 21.6%
Farm Mortgages and Properties 19.2%
Stocks, Common and Preferred 5%
Cash and Miscellaneous 1.3%
100.0%
As at December 31st, 1931.
THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE - - - WINNIPEG

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
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" Montreal - - 5.50
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To Vancouver $4.50
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" Regina - - - 4.75
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To Vancouver $8.25
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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING JULY 18

Range 1932 High	Low	Divd. Rate in $	Yield in % July 16		Sales	Close July 11 (or last)	Week Ending —July 18— High	Low	Close
3.25	.60	.	...	Abitibi	20	1.00	1.00	1.00	1.00
10	2	.	...	Do. pref.	25	2½	3	2½	3
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	70	7	10	Do. pref.	....	70	..	..	..
7	3½	.	...	Alta. Pac. Gr.	25	3½	3½	3½	3½
25	19	.	...	Do. pref.	89	20	25	21	25
3½	1½	.	...	Amal. Electric	....	1½	..	..	..
11	9	.	...	Do. pref.	60	10½	9	9	9
x3½	2½	.	...	Anglo. N. Hold.	....	..	..	..	..
.37	.15	.	...	Asbestos	....	.15	..	..	..
1.00	.60	.	...	Do. pref.	....	.60	..	..	..
6	4	60c	13.3	Assoc. Brew.	85	4½	4½	4½	4½
70	65	7	10.1	Do. pref.	3	69	69	69	69
3	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
30	16	.	...	Atlan. Sugar	....	20½	..	..	..
120	92	.	...	Do. pref.	....	120	..	..	..
159½	127½	10	7.8	Bk. Can. Nat.	17	128	128½	127½	128½
225	150	10	5.1	Bk. Montreal	306	190	200	190	191
274	238	16	6.4	Bk. N. Scotia	109	240	250	246	250
193	125	12	7.1	Bk. Toronto	47	150	165	150	165
x24	8½	.	...	Barcelona	....	..	..	..	..
3	1	.	...	Bathurst Pr.	70	2½	1	1	1
1	½	.	...	Do. (B)	....	..	..	..	..
‡26	26	.	...	Bawlf Grain	....	..	..	..	..
x25	20	.	...	Do. pref.	....	..	..	..	..
5	4	.	...	Beath & Sons	....	4	..	..	..
10½	3½	.	...	Beatty Bros. A	....	4	..	..	..
60	41	6	14.6	Do. pref.	....	41	..	..	..
3.50	.40	.	...	Beauharnois	4697	.45	.90	.40	.90
x93	55	7	...	Belding Cort.	....	..	..	..	..
65	65	7	...	Do. pref.	....	65	..	..	..
120	75	7	8.7	Bell Telephone	982	77	80½	76½	80½
3½	2	.	...	Biltmore Hats	....	3½	..	..	..
50	50	7	...	Do. pref.	....	50	..	..	..
4	1½	.	...	Bissell, T. E.	....	1½	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Blue Ribbon	....	2	..	..	..
25	10	2	20	Do. pref.	....	10	..	..	..
20	17½	2	11.1	Brant. Cd. pf.	25	18	18	18	18
14½	7½	2§	..	Brazilian Tr.	3645	10½	10½	9½	10
.40	.40	.	...	Brew. & Distil.	....	.40	..	..	..
1	½	.	...	Brewing Corp.	....	½	..	..	..
3½	1	.	...	Do. pref.	5	1	1	1	1
11½	8½	80c	8.9	Brit. Amer. Oil	2666	8½	9	8½	9
1.75	.60	.	...	B.C. Packers	....	.60	..	..	..
6½	4	.	...	Do. pref.	....	4	..	..	..
26	15	2	10.4	B.C. Power A.	5155	18½	20	18½	20
7½	3½	.	...	Do. (B)	95	4	4½	4	4
4	2	.	...	Bruck S. Mills	....	2	..	..	..
20½	10	1.40	12.7	Building Prod.	210	11	11½	10	11
32	17	2.40	10.9	Burt, F. N.	255	19	22	20	22
125	120	6	5	Calgary Pr.	....	120	..	..	..
3	1½	.	...	Canada Bread	....	1½	..	..	..
85	82	7	8.4	Do. pref. A.	....	83	..	..	..
25	25	2	8	Do. pref. B.	....	25	..	..	..
9	6½	1	12.5	Canada Bud	390	7½	8	7½	7½
7	2	.	...	Canada Cement	8502	3½	5½	3	4½
66	20	6.50	19.1	Do. pref.	708	21	36½	29	35
13½	6	1.20	13.7	Canada Dry	1000	8½	9½	8½	8½
6	2½	.	...	Can. Forg. (A)	....	2½	..	..	..
7½	2	.	...	Do. (B)	....	7½	..	..	..
x68	60	3	...	Canada Iron	....	..	..	..	..
x80	75	6	...	Do. pref.	....	..	..	..	..
14½	8½	1.50	13.3	Can. Malting	1192	10	11½	10	11½
15	9	80c	8.9	Can. Nor. Pr.	....	9	..	..	..
92	52½	7	11.3	Do. pref.	11	65	62	62	62
x6	½	.	...	Can. Paving	....	..	..	..	..
x51	10½	.	...	Do. pref.	....	..	..	..	..
186	135	12	8.6	Can. Perman.	72	140	140	140	140
1	½	.	...	Can. Pr. & Pa.	....	½	..	..	..
2½	½	.	...	Can. Steamsh's	25	½	..	..	..
9	1	.	...	Do. pref.	95	3	3½	3½	3½
16	9½	1.60	11.8	Can. Vinegars	60	12	13½	12	12
55	28½	4	13.8	Can. W. Cable	2	28½	29	29	29
18	4	.	...	Do. (B)	45	5	5½	5	5
1½	1½	.	...	Can. Bakeries	....	1½	..	..	..
14	11	.	...	Do. pref.	....	11½	..	..	..
191	123	12	8.3	Can. Bk. Com.	206	140	146	140	146
13½	9	1.25	10	Can. Bronze	110	11	12½	10	12½
102	70	7	10	Do. pref.	....	70	..	..	..
5½	1½	.	...	Can. Canners	41	2	3	2	3
80	40	6	13.2	Do. 1st pfd.	30	48	45½	45½	45½
9	3½	40c	10.7	Do. 2nd pfd.	420	3¾	4	3¾	4
7½	2½	60c	11.4	Can. Car & F'y	512	4	5½	4	5
16	10	1.75	12.9	Do. pref.	851	11	13½	11	13½
6	3½	.	...	Can. Celanese	....	3½	..	..	..
60	42	7	16.3	Do. pref.	45	43	43	43	43
20	20	2	10	Can. Convert.	....	20	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	60	6	...	Do. pref.	....	60	..	..	..
17½	7	.	...	Can. Dredge	1668	7½	13½	8	13
x92	92	7	...	Do. pref.	....	..	..	..	..
68	60	6	8.9	Can. Fairb. pf.	....	67	..	..	..
4	3	.	...	Can. For. Inv.	....	3	..	..	..
65	55	.	...	Do. pref.	....	55	..	..	..
180	115	4	3.5	Can. Gen. Elec.	....	115	..	..	..
59	51½	3.50	6.8	Do. pref.	55	52	53	51½	51½
66	29	6	15.4	Can. Hyd. El. p	225	30	40	30½	40
2	½	.	...	Can. Ind. Alc.	754	1½	2	1½	1½
1.00	.30	.	...	Do. (B)	150	.75	1.00	1.00	1.00
x5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
x70	64½	.	...	Do. pref.	....	..	..	..	..
20	20	1	5	Can. Lt. & Pr.	....	20	..	..	..
1½	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	..	..	..	..
b1½	½	.	...	Can. Marconi	1000	¾	¾	¾	¾
13	7	1	11.9	Canadian Oil	240	7½	8½	7½	8
98	84	8	9.5	Do. pref.	....	84	..	..	..
22½	8½	1.25	10.2	Can. Pacific	10040	10½	12½	10½	12½
2½	2	.	...	Can. Vickers	....	2	..	..	..
20½	20½	.	...	Do. pref.	....	20½	..	..	..
2½	1	20c	10.7	Can. Wineries	....	1½	..	..	..
7½	4½	1	20	Can. Wire Box	25	5	5	5	5
12	7	.	...	Catelli Mac A.	6	7½	7½	7	7
x5	5	.	...	Do. (B)	....	..	..	..	..
x301	290	10	...	Cent. Can. L'n	....	..	..	..	..
2.05	.50	.	...	Chem. Research	1415	.85	1.05	.90	.95
7.25	4.50	.	...	Cities Service	....	6.00	..	..	..
6	3	.	...	Cockshutt Plow	2070	4	5½	4	5½
2	½	.	...	Comm. Alcohol	....	..	..	..	..
3½	1	.	...	Conduits	....	1½	..	..	..
x94	84	.	...	Do. pref.	....	..	..	..	..
8	3½	50c	11.8	Cons. Bakeries	26	4½	4½	3½	3½
1	½	.	...	Cons. Food Pr.	....	½	..	..	..
x6	3	.	...	Do. (A)	....	..	..	..	..
5	1	.	...	Cons. Indust.	5	2	2	1	1
4	4	.	...	Cons. Paper	....	4	..	..	..
15	15	.	...	Cons. Press	....	15	..	..	..
35	30	4	11.4	Cons. Sand. pf.	....	35	..	..	..
75	25	.	...	Cons. Smelters	3626	52½	60	49	50
166	142	10	6.4	Consumers Gas	71	150½	155	151	155
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
‡90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3½	2½	.	...	Cosgrave Brew.	200	2½	2½	2½	2½
5	2	.	...	Cosmos Imp.	....	2½	..	..	..
68	40	3.50	..	Do. pref.	....	40	..	..	..
3	2	.	...	Crown Dom. Oil	100	2½	2	2	2
13	8	§	...	Crow's N. Coal	....	8½	..	..	..
1½	1½	.	...	David & Fre. B	....	1½	..	..	..
x12½	12½	.	...	De Havilland	....	..	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x9	5	.	...	Disher Steel	....	..	..	..	..
x10	10	1.50	...	Do. pref.	....	..	..	..	..
6½	3½	.	...	Distill-Seagram	150	4½	4½	4	4½
7	7	.	...	Dodge "A" pf.	....	7	..	..	..
2	1½	.	...	Do. "B"	....	2	..	..	..
194	125	12	8.6	Dominion Bk.	21	135	140	140	140
27	9	2	14	Dom. Bridge	3053	11½	14½	12	13½
x40	40	.	...	Dom. Coal	....	..	..	..	..
22½	21	.	...	Dom. Engineer	....	21	..	..	..
65	30	5	11.1	Dom. Glass	75	30	45	38	45
112	85	7	8.2	Do. pref.	25	85	85	85	85
5½	1½	20c	13.3	Dom. Motors	15	1½	1½	1½	1½
7½	3½	.	...	Dom. Pr. Stubs	....	5	..	..	..
2½	1	.	...	Dom. St. & C B	511	1	1½	1½	1½
20	13	1.20†	8	Dom. Stores	640	14	16	14	16
5	2	.	...	Dom. Tar & Ch.	....	2	..	..	..
x95	79½	.	...	Do. pref.	....	..	..	..	..
63½	39	5	12.5	Dom. Textile	30	40	40	40	40
105	70	7	8.2	Do. pref.	52	70	85	85	85
x12	10	.	...	Donnacona	....	..	..	..	..
2	½	.	...	Dryden Paper	60	1	1	1	1
4	2	.	...	Duff. Paving	....	2	..	..	..
49	28	.	...	Do. pref.	....	28	..	..	..
20	20	.	...	East. Koot. Pr.	....	20	..	..	..
x97	94½	.	...	Do. pref.	....	..	..	..	..
13	9	1	11.1	East Dairies	110	9	9	9	9
x20	16	1	...	East. Steel	....	..	..	..	..
x100	97	7	...	Do. pref.	....	..	..	..	..
[illegible]	28½	2	...	East. Theatres	....	..	..	..	..
‡105	80	7	...	Do. pref.	....	..	..	..	..
[illegible]	3½	.	...	Easy Washer	....	..	..	..	..
[illegible]	4½	1.50	..	Economic Inv.	....	4½	..	..	..
x15	15	.	...	Edmonton D'y	....	..	..	..	..
x80	78½	6.50	..	Do. pref.	....	..	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
10	6	.	...	Eng. Electric	15	6	8	8	8
2½	1½	.	...	Do. (B)	....	1½	..	..	..
8	6	2	...	Fam. Players	....	8	..	..	..
7½	7½	2	...	Do. Vot. Tr.	....	7½	..	..	..
10	9	.	...	Fanny Farmer	....	9	..	..	..
29	25	2.40	9.6	Do. pref.	....	25	..	..	..
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
16½	5½	.	...	Ford Motors A	1412	7	7½	6½	7½
3½	2	.	...	For. Pr. Secs.	50	2	2	2	2
9	4	.	...	Foundation Co.	10	5	4	4	4
1.25	.25	.	...	Fraser Cos.	25	.25	.30	.30	.30
50	50	.	...	Front. Brew.	....	50	..	..	..
50	50	.	...	Do. pref.	....	50	..	..	..
x8	5	.	...	Frost Steel	....	..	..	..	..
x96½	85	.	...	Do. pref.	....	..	..	..	..
2	½	.	...	Gen. St. Wares	205	½	½	½	½
82	38	5	8.3	Goodyear Tire	115	52	63	60	60
93½	70	7	8.4	Do. pref.	70	80½	84	80	81
x93½	93½	7	...	Gould Pumps p	....	..	..	..	..
½	½	.	...	Gt. W. Saddlery	....	½	..	..	..
x8	6	.	...	Do. pref.	....	..	..	..	..
21	8	1.60	12.3	Gurd, Chas.	95	10	13	12	13
106	105	7	6.7	Do. pref.	....	105	..	..	..
5	2	.	...	Gypsum, Lime	555	2½	3	2½	3
7	2	.	...	Ham. Bridge	145	3	5½	3½	5
60	50	6.50	13	Do. pref.	....	50	..	..	..
10	6	.	...	Ham. Cot., pf.	....	7	..	..	..
2	1½	.	...	Ham. U. Theat.	....	2	..	..	..
53	48	7	14	Do. pref.	....	50	..	..	..
4	2	.	...	Hayes Wheel	....	2	..	..	..
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
2	1	.	...	Hinde & Dauch	....	..	..	..	..
x75	75	.	...	Holt Renfrew	....	1½	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3½	½	.	...	Honey Dew	....	1	..	..	..
40	20	.	...	Do. pref.	....	20	..	..	..
4	2	.	...	H. Smith Pap.	25	2	2	2	2
27	18	.	...	Do. pref.	....	18	..	..	..
21½	15	2	13.1	Humberstone S.	5	15¼	15¼	15¼	15¼
17½	14	1	7.1	Hunt (A)	....	14	..	..	..
x28½	18½	1	...	Do. (B)	....	..	..	..	..
100	95	8	8.4	Huron & E. Mt	....	95	..	..	..
x29½	28	.	...	Do. 20% pd.	....	..	..	..	..
11½	4½	.	...	Hydro Electric	....	4½	..	..	..
193	130	12	8.3	Imperial Bank	23	143	145	144	145
10½	7½	50c	5.9	Imperial Oil	8255	8	8½	8	8½
9½	6	35+17½c	6.6	Imperial Tob	2207	7½	8½	7½	8
x80	80	§	...	Inter. Coal, p.	....	..	..	..	..
6	6	.	...	Int. Hyd. E. A.	....	6	..	..	..
97	90	7	7.8	Inter. Mill., pf.	50	90	90	90	90
77	77	6	7.8	Do. Series A.	....	77	..	..	..
11	4	.	...	Inter. Nickel	41625	5½	6½	5½	6½
4	4	.	...	Inter. Paints	....	4	..	..	..
b2½	½	.	...	Int. Pa & Pr A	....	½	..	..	..
b1	1	.	...	Do. (B)	....	1	..	..	..
b½	½	.	...	Do. (C)	....	½	..	..	..
b11	2½	.	...	Do. pref.	....	2½	..	..	..
11½	9½	1	9.6	Inter. Pete.	1082	10½	10½	10	10½
x8	5	.	...	Inter. Power	....	..	..	..	..
x78	56½	.	...	Do. pref.	....	..	..	..	..
9½	2	.	...	Int. Util. (A)	210	2	4	2½	3½
3	½	.	...	Do. (B)	150	½	1	½	1
x40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
x109	99½	7	...	Do. pref.	....	..	..	..	..
4	2½	.	...	Kelvinator	....	2½	..	..	..
90	60	7	11.7	Do. pref.	....	60	..	..	..
7	4	.	...	Lake of Woods	95	4½	4½	4½	4½
x101	82	.	...	Do. pref.	....	..	..	..	..
x140	140	8	...	Landed Bank	....	..	..	..	..
39	30	3	9.4	Laura Secord	75	30	32	30	32
8	1½	.	...	Lindsay, C. W.	....	1½	..	..	..
60	36	6.50	17.5	Do. pref.	175	37	37	36	36
10½	9	80c	7.8	Loblaw (A)	1085	10	10½	10	10
10½	8	80c	8.6	Do. (B)	280	9	9½	9	9
‡2½	2½	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel	....	..	..	..	..
x95	90	7	...	Do. pref.	....	..	..	..	..
7	6½	.	...	Manitoba Pr.	....	7	..	..	..
5	2	.	...	Maple Leaf	....	3	..	..	..
20½	8	.	...	Do. pref.	38	10	15	10½	15
x38	30	.	...	Marcus Loew's	....	..	..	..	..
60	30	.	...	Do. pref.	5	52	30	30	30
4½	2½	.	...	Massey-Harris	2633	3	4½	3½	4
10½	7	60c	6.5	McColl Fron.	2640	7½	9½	8	9½
59	58	6	10.3	Do. pref.	....	58	..	..	..
x45	35	.	...	Mexican L & P	....	..	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
105	105	7	6.7	Do. pref.	....	105	..	..	..
8	3	.	...	Mitchell, Robt.	....	4½	..	..	..
x1	1	.	...	Monarch Knit.	....	..	..	..	..
30	23	.	...	Do. pref.	....	25	..	..	..
75	50	6	12	Montreal Cot.	....	50	..	..	..
x102	98	7	...	Do. pref.	....	..	..	..	..
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
9½	7	.	...	Mont. Is. Pr.	....	7	..	..	..
38	20½	1.50	4.7	Mont. L. & Pr.	12767	29	32½	29	31
x49½	48	3+25	..	Montreal Loan	....	..	..	..	..
47	40	3.20	8	Montreal Tele.	....	40	..	..	..
150	90	10	10.2	Mont. Trams.	67	90	100	96	96
10	4½	.	...	Moore Corp.	105	4½	5	4½	5
93	65	7	10.8	Do. (A)	....	65	..	..	..
97	72	7	9.7	Do. (B)	....	72	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
2	1	10c	10	Muirheads	....	1	..	..	..
9	8	75c	8.3	Do. pref.	....	9	..	..	..
24	9½	1.60	11.2	Nat. Brew.	6534	14	15	13½	13½
25½	25	1.75	6.9	Do. pref.	....	25½	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
12½	6	80c	10.1	Nat. Steel Car	585	7	8½	7½	7½
255	245	12	4.9	National Tr.	....	245	..	..	..
10	10	.	...	Niag. W. Weav.	....	10	..	..	..
x36	23	3	...	Do. pref.	....	..	..	..	..
2.50	1.75	.	...	North Star Oil	....	2.00	..	..	..
4.00	4.00	35c	8.7	Do. pref.	....	4.00	..	..	..
‡25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
x285	125	8	...	Ogilvie Flour*	....	..	..	..	..
105	96	7	7.3	Do. pref.	....	96	..	..	..
9	5½	40c	7.3	Ont. Eq. 10% p	10	6	5½	5½	5½
102	94½	6	6.3	Ontario Loan	....	94½	..	..	..
x7	5	.	...	Ont. Silknit	....	..	..	..	..
x16	13	.	...	Ont. Steel	....	..	..	..	..
‡105	105	7	...	Do. pref.	....	..	..	..	..
x1½	½	.	...	Orange Crush	....	..	..	..	..
45	18	.	...	Do. (A)	....	18	..	..	..
x5½	1	.	...	Do (B)	....	..	..	..	..
100	100	6	6	Ott. L H & Pr*	....	100	..	..	..
100	90	6.50	7.2	Do. pref.	....	90	..	..	..
x25	25	.	...	Ott. Traction	....	..	..	..	..
68	35	5	11.1	Page Hersey	585	41	46	42	44½
b11½	1½	.	...	Paramount	7700	1½	2	1½	1½
x35	30	.	...	Paton Mfg.	....	..	..	..	..
x94	92	7	...	Do. pref.	....	..	..	..	..
.37	.25	.	...	Pelissiers	....	.25	..	..	..
x30	25	.	...	Do. pref.	....	..	..	..	..
28	18	3	15	Penmans	15	20	20	18	20
x101	98	6	...	Do. pref.	....	..	..	..	..
19½	9	2	20	Photo Eng.	60	10	10	10	10
x40	10	.	...	Port Alfred, pf	....	..	..	..	..
x70	64	7	...	Porto Rico Pr. p	....	..	..	..	..
b9	1½	.	...	Postal Tele. p.	....	..	..	..	..
36½	6	.	...	Power Corp.	1860	8	10	8	9
90	25	6	20	Do. pref.	55	25	30	25	30
2	2	.	...	Prairie C. Oil	....	2	..	..	..
10	5	.	...	Pressed Metals	275	7	5	5	5
x42½	25	.	...	Price Bros.*	....	..	..	..	..
x99	70	.	...	Do. pref.*	....	..	..	..	..
29	9½	1.50	11.5	Quebec Power	665	11½	13½	12	12½
x110	105	7	...	Real Estate L'n	....	..	..	..	..
2	½	.	...	Regent Knit.	....	..	..	..	..
7	5½	.	...	Reliance Grain	....	5½	..	..	..
12	6½	1	15.4	River. S. Mills	50	6½	6½	6½	6½
12	7	1.50	21.4	Robinson Cone	20	12	7	7	7
4	1½	.	...	Rogers Majest.	....	1½	..	..	..
150	120	10	6.8	Royal Bank	610	144	147	143	145
x84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
33	32½	1	3.1	Russell Motor	....	32½	..	..	..
70	35	7	19.4	Do. pref	10	35	36	36	36
4	3	.	...	Sarnia Br. (A)	....	3	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
7	3	.	...	Serv. Sta.	234	3	4	3	4
46	24	.	...	Do. pref.	....	25½	..	..	..
33	7½	1	7.1	Shawinigan	6444	11	14½	11½	13
20	7	.	...	Sher. Wms.	100	7	8	7	8
x121	112	7	...	Do. pref.	....	..	..	..	..
17	5	.	...	Simon & Son	....	5	..	..	..
80	65	7	...	Do. pref.	....	65	..	..	..
55½	12	.	...	Simpson, Ltd.	15	12	13	13	13
x44½	36	.	...	Do. (A)	....	..	..	..	..
x35½	24½	.	...	Do. (B)	....	..	..	..	..
77	77	6	7.8	Simpson, R., p.	....	77	..	..	..
25	10	1	5.9	So. Can. Pr.	52	12	17	15½	17
90	60	6	8.7	Do. pref.	26	65	70	65	70
7.00	.45	.	...	St. Law. Corp.	10	.50	.45	.45	.45
4	1½	.	...	Do. (A)	95	1½	1½	1½	1½
12	9	.	...	St. Law. Flour	....	9	..	..	..
80	70	7	10	Do. pref.	....	70	..	..	..
11	1½	.	...	St. Law. Pa. p	....	1½	..	..	..
x30	4	.	...	St. Maur. V. p	....	..	..	..	..
3	1½	.	...	St. Pav. & Mat.	40	1½	2	1½	2
46	25	4	13.5	Do. pref.	....	29½	..	..	..
5	4	50c	...	Stand. Chem.	....	5	..	..	..
x1	1	.	...	Stanfords	....	..	..	..	..
3½	1½	.	...	Stand. Steel	....	1½	..	..	..
x35	30	3	...	Do. pref.	....	..	..	..	..
24	10½	1.75	11.8	Steel of Can.	1336	13½	15½	13	15½
29	20	1.75	6.7	Do. pref.	105	20	26	25	25
½	½	.	...	Sterling Coal	....	½	..	..	..
18½	9½	1	7.7	Sup. Pete. ord.	406	12	13½	12	13
x31	14	1	...	Do. com.	....	..	..	..	..
98	90	7	7.6	Do. pref.	5	92½	92½	92½	92½
42	35	.	...	Tamblyn	....	35	..	..	..
100½	95	7	7.2	Do. pref.	50	97	97	96½	96½
18	15	3.50	23.3	Thayers, pref.	....	15	..	..	..
7	3	.	...	Tip Top Tailors	....	3	..	..	..
67	50	7	14	Do. pref.	....	50	..	..	..
x22	10	.	...	Tooke Bros.	....	..	..	..	..
x67	48½	.	...	Do. pref.	....	..	..	..	..
13	7	.	...	Tor. Elevators	69	7	7	7	7
210	125	10	8	Tor. Gen. Tr.	17	135	140	125	140
92	85	6	6.5	Toronto Mtge.	....	92	..	..	..
x8	1	.	...	Traymore	....	..	..	..	..
x12½	7	.	...	Do. pref.	....	..	..	..	..
120	105	7	6.7	Tuckett Tob. p	....	105	..	..	..
5	2	.	...	Twin City	....	5	..	..	..
b24½	7	.	...	Do. pref.	....	..	..	..	..
37	23	.	...	Do. (notes)	....	..	..	..	..
5	1½	.	...	Union Gas	430	3½	3½	3½	3½
100	100	5	5	Union Trust	....	100	..	..	..
x8	3	.	...	United Fuel	....	..	..	..	..
15	3	.	...	Do. pref.	10	5	3	3	3
24½	18	2	10.5	United Secs.	25	24½	19	18	18
11	5	.	...	Viau Biscuit	85	6	5½	5½	5½
75	60	7	11.7	Do. pref.	....	60	..	..	..
12	4	.	...	Wabasso Cot.	45	5	4	4	4
5½	2½	.	...	Walker-Good.	912	4½	4½	4½	4½
12	9	1	10.7	Do. pref.	2403	9½	9½	9½	9½
3½	1	.	...	Waterloo Mfg.	200	1	2½	1½	2
80	75	7	...	W. Koot. Pr. p	....	80	..	..	..
8	5½	.	...	West. C. Flour	....	5½	..	..	..
60	60	6.50	10.8	Do. pref.	....	60	..	..	..
11	10	.	...	West. Grocers	....	11	..	..	..
54	43	7	15.5	Do. pref.	....	45	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
18½	16½	1	5.9	Weston Bisc.	....	16½	..	..	..
70	65	7	10.4	Do. pref.	10	67	67	67	67
10	10	.	...	Windsor Hotel	....	10	..	..	..
38	20	3.25	16.2	Do. pref.	....	20	..	..	..
8	2	.	...	Winnipeg Elec.	1161	3	4	3	4
15	14	.	...	Do. pref.	....	15	..	..	..
x46	36	.	...	Woods Mfg. p.	....	..	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
§ 2% stock dividend payable Sept. 1; 2% paid June 1; 25c cash paid Mar. 1, 1932.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Foreign Exchange

	New York Funds High (Premium) %	Low %	Last Year High (Premium) %	Low %
July 13	15 1-4	14 5-8	1-4	5-32
July 14	15 3-8	15 1-16	11-32	1-4
July 15	15-1-2	15	5-8	9-32
July 16	15 5-8	15 1-2	1-2	1-4
July 18	16 1-4	15 3-4	23-64	9-32
July 19	16	15 5-8	11-32	21-64

STERLING, FRANCS AND LIRE
(Close Demand in New York)

	Sterling	Francs	Lire
July 13	3.54 1-4	3.92 1-4	5.11
July 14	3.54 3-8	3.92	5.12
July 15	3.54 1-4	3.91 13-16	5.11 1-8
July 16	3.54 5-8	3.92 5-8	5.10 5-8
July 18	3.54 5-8	3.91 3-4	5.10 3-8
July 19	3.55 3-4	3.91 3-4	5.10 3-8

FOREIGN EXCHANGE
(Close Demand in Toronto)

		July 5	July 12	July 19
5.26	Italian	5.83	5.85¾	5.90½
23.80	German	27.00	27.22	27.45
13.90	Belgian	15.85	15.96½	16.02½
49.80	Japanese	31.60	31.84½	32.23

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
July 19, 1932

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	20.50	24.50
Acadia Sugar 6% 1946	69.50	72.50
Alta. Pac. Grain 6% 1946	65.00	70.00
American Sales Book 6% 1939	101.00	....
Arnold Bros. 6% 1947	46.00	50.00
B. A. Oil 5% 1945	82.00	86.00
Brandram-Henderson 6% 1939	....	55.00
Canada Biscuit 6½% 1946	20.00	24.00
Canada Cement 5½% 1947	68.00	74.00
Can. Machinery 6% 1941	50.00	....
Can. Steamship 6% 1941	17.50	20.50
Can. Canners 6% 1950	69.00	75.00
Can. Consolidated Rubber 6/46	45.00	52.00
Can. Copper Refin. 6% 1945	86.50	90.50
Can. Vickers 6% 1947	59.50	63.50
Davies, Wm., 6% 1942	72.00	76.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	51.00	56.00
Donnacona Paper 5½% 1948	10.00	15.00
Famous Players 6% 1948	51.00	55.00
Famous Players 6½% 1948	....	50.00
Goodyear Cotton 6% 1949	87.00	92.00
Great Lakes Paper 6% 1950	12.00	14.00
Gypsum, Lime & Alab. 5½% 1948	40.00	45.00
Howard Smith 5½% 1953	47.00	51.00
Inter City Baking 5½% 1948	59.00	65.00
Inter City West. Baking 6½/50	....	43.00
Loew's Toronto 6% (Serial)	95.00	99.00
Maple Leaf Milling 5½% 1949	51.00	56.00
Massey Harris 5% 1947	57.00	60.00
McColl Frontenac 6% 1949	74.00	79.00
McKinnon Industries 6½% 1945	90.00	94.00
Nor. Mexico Power 7% 1933	78.00	....
Montreal Coke & Mfg. 5½% 1947	86.00	90.00
Nor. Ont. Bldg. 6½% 1939	59.00	66.00
Ont. Steel Products 6% 1943	88.00	91.00
Richmond Bay 6½% 1947	56.00	60.00
Riordon P. & P. 6% 1942	90.00	95.00
Rolland Paper 5½% 1948	52.00	56.00
Rowntree Co. Ltd. 6% 1937	93.00	98.00
Simpsons Ltd. 5½% 1949	50.00	56.00
Simpsons Ltd., 6% 1949	57.00	61.00
Steel of Canada 6% 1940	100.00	103.00
Sterling Coal 6% 1940	28.00	35.00
United Gas & Fuel 5½% 1948	....	50.00
United Grain Growers 5/48	67.00	71.00
United Grain Growers 5½/49	72.50	76.50
Western Grain 6% 1949	58.00	....
Public Utility Bonds:		
Bell Telephone 5% 1955	100.25	104.75
B. C. Power 5% 1960	71.50	75.50
B. C. Power 5½% 1960	74.50	....
B. C. Telephone 5% 1960	83.00	88.00
Calgary Power 5% 1960	71.50	....
Can. Northern Pwr. 5% 1953	67.00	72.00
Duke Price Power 6% 1966	55.00	....
Elect. Develop. 5% 1933	109.00	....
French Natl. Mail SS 6/52	116.00	120.00
Gatineau Pwr. 5% 1956	72.00	76.00
Gatineau Pwr. 6% 1941 Apr. 1	57.50	63.50
Maclaren Quebec 5½% 1961	60.00	64.50
Montreal Isl. Pwr. 5½% 1957	84.00	....
Montreal LH&P 5% 1951	100.75	105.50
Montreal LH&P 5% 1970	100.00	104.50
Montreal Tram. 5% 1941 July	92.00	96.00
Montreal Tram. 5% 1955	73.00	77.00
Northwest Utilities 7/38	73.00	78.00
Ont. Pwr. Service 5½% 1950	61.00	65.00
Ottawa Valley Pwr. 5½% 1970	80.00	85.00
Quebec Power 5% 1968	75.00	....
Rio Tramways 5% 1935	81.00	86.00
Shawinigan W&P 4½% 1970	73.50	78.50
Shawinigan W&P 5% 1970	82.00	87.00
Southern Can. Pwr. 5% 1955	80.50	86.50
West Kootenay Pwr. 5% 1956	72.00	76.50
Western Power 5% 1949	83.00	87.00

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Acme Farmers Dairy pfd.	7%	3½%	Aug. 10	July 30
Agnew Surpass, pref.	7%	1¾%	Oct. 1	Sept. 15
Bank of Montreal	10%	2½%	Sept. 1	July 30
Belding Corticelli	7%	1¾%	Aug. 1	July 15
Do., pref.	7%	1¾%	Sept. 15	Aug. 31
Beatty Bros. 1st pfd.	$6	$1.50	Aug. 1	July 15
Bordens	$2	50c	Sept. 1	Aug. 15
Brazilian Tr., ord.	...	2% stk.	Sept. 1	July 30
B.C. Telephone 2nd pfd.	6%	1½%	Aug. 1	July 15
Calgary Power pfd.	$6	$1.50	Aug. 1	July 15
Can. Dredge pref.	7%	1¾%	Aug. 1	July 19
Can. Investors c.	40c	10c	Aug. 2	July 15
Can. West. Nat. Gas c.	$4	$1	July 15	July 14
Can. Northern Pr.	80c	20c	July 25	June 30
Canadian Car c.	60c	15c	Aug. 30	Aug. 15
Can. Converters	$2	50c	Aug. 15	July 31
Can. Southern Rly. c.	$3	$1.50	Aug. 1	July 1
Can. Bronze	$1.25	31¼c	Aug. 1	July 20
Do., pref.	$7	$1.75	Aug. 1	July 20
Can. Industries com. "A" & "B"	$2.50	62½c	July 30	June 30
Do., extra	..	50c	July 30	June 30
Coniaurum Mines		3c	Aug. 15	Aug. 1
Cosmos Imperial, pfd.	$3.50	87½c	Aug. 15	July 30
Community Trusts c.	$2.50	62½c	July 15	June 30
Confederation Invest. pfd.	$3	75c	Aug. 1	July 15
Dominion Bridge	$2	50c.	Aug. 15	July 30
Do.		50c.	Nov. 15	Oct. 31
Dominion-Scottish Inv.	2%	½%	Aug. 1	July 20
Eastern Dairies com.	$1	25c	Aug. 1	June 30
Eastern Theatres pfd.	7%	3½%	July 30	June 30
Do., com.	$2	50c	Sept. 1	July 30
Fuller, Geo. A., (Can.) pfd.	6%	1½%	Aug. 1	July 15
Humberstone Shoe	$2	50c	Aug. 1	July 15
Hamilton Bridge pfd.	6½%	1⅝%	Aug. 1	July 15
Hydro Elec. Secs. "B" pfd.	50c	25c	Aug. 1	July 18
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 2
Inter. Utilities pfd.	$3.50	87½c	Aug. 1	July 15
Do., pfd.	$7	$1.75	Aug. 1	July 15
Imperial Bank	12%	3%	Aug. 1	June 30
Lindsay, C. W., pfd.	6½%	1⅝%	Sept. 15	Aug. 15
McIntyre Mines	$1	25c	Sept. 1	Aug. 2
Do., extra	...	12½c	Sept. 1	Aug. 2
MacKinnon Steel pref.	7%	1¾%	Aug. 1	July 20
Montreal Dairy "A" com.	$1.75	43¾c	Aug. 1*	July 15
Montreal L. H. & Pr.	$1.50	38c	July 31	June 30
Mortgage Corp. N.S.	7%	1¾%	Aug. 1	July 24
Neon Prod. of West. Can. pfd.	$3	75c	Aug. 1	July 15
Penmans	$3	75c	Aug. 15	Aug. 5
Do., pref.	6%	1½%	Aug. 1	July 21
Piggly Wiggly (C) pfd.	7%	3½%	July 9	June 30
Quebec Power	$1.50	37c	Aug. 15	July 21
Royal Bank	10%	2½%	Sept. 1	July 31
Russell Motor Car	$1	25c	Aug. 1	July 15
Do., pref.	7%	1¾%	Aug. 1	July 15
St. Lawrence Flour, pref.	7%	1¾%	Aug. 1	July 20
Second Std. Royalties pfd.	12%	1%	Aug. 1	July 15
Siscoe Gold Mines	...	4c	July 30	July 15
Southern Can. Power com.	$1	25c	Aug. 15	July 30
Silverwood's Dairies, pfd.	7%	1¾%	July 30	June 30
Steel of Canada	$1.75	43¾c	Aug. 1	July 7
Do., pref.	$1.75	43¾c	Aug. 1	July 7
Shawinigan W. & Pr.	$1	25c	Aug. 15	July 21
Standard Steel "A" pfd.	$3	75c	Oct. 1	Sept. 15
Teck Hughes	60c	15c	Aug. 1	July 15
Western Homes	4%	2%	July 15	July 15
Weston, Geo., pref.	7%	1¾%	Aug. 1	July 20

*Regularly payable July 1; deferred one month.

Dividends Passed or Deferred:

Debenture Co. of Can. c. July 31, passed. Last paid $3 July 31, 1931.

Dominion Tar, pfd. Aug. 1 passed. Last paid 1¾% May 1, 1932.

Power Corp., com. Aug. 20, passed. Last paid 50c. May 20, 1932.

Service Stations, pref. and "A" pref. Aug. 1, passed. Last paid 75c. May 2, 1932.

Foundation Co. com. Aug. 14 passed. Last paid 12½c. May 14, 1932.

Dividend Rate Reduced:

Bordens, c. 50c. Sept. 1. Reduced from $3 to $2 per annum.

Russell Motor, com. 25c. Aug. 1. Reduced from $2 to $1 per annum.

Cosmos Imperial, pref. 87½c. Aug. 15. Reduced from 7% to 3½% per annum.

Can. Investors c. 10c Aug. 2. Reduced from 15c to 10c.

Can. West. Natural Gas, c. $1 July 15. Reduced from $1.50.

Dominion Bride 50c. Aug. 15. Reduced from $2.50 to $2 per annum.

Royal Bank 2½% Sept. 1. Reduced from 12% to 10% per annum.

Bank of Montreal 2½% Sept. 1. Reduced from 12% to 10% per annum.

Extra Dividends:

McIntyre Mines 12½c Sept. 1.

Can. Industries, com. 50c. July 30.

Winnipeg Grain Prices

Week to July 19

Crop Year from Aug. 14 High	Low		Open July 13	High for week	Low for week	Close July 19
		Wheat				
.77⅞	.52¼	July	.52¼	.53⅞	.52⅞	.53⅞
.72⅜	.55¼	Oct.	.55¼	.56⅞	.55¼	.56⅝
.66⅝	.56⅝	Dec.	.57¼	.58⅝	.57⅛	.58
		Oats				
.37½	.30½	July	.33⅜	.33⅞	.33⅛	.33⅜
.35¼	.27½	Oct.	.28⅜	.28⅜	.27⅛	.27⅝
.27⅞	.26½	Dec.	.27¼	.27½	.26½	.26¾
		Barley				
.45½	.33⅜	July	.36½	.36½	.33⅜	.36½
.43½	.31⅜	Oct.	.32	.32	.31⅜	.31⅞
.35½	.31⅜	Dec.	....	.32½	.31⅜	.32½
		Flax				
1.16½	.63	July	.67	.69½	.63⅜	.67½
1.09½	.66½	Oct.	.67	.73	.67	.70½
.78½	.68¾	Dec.	.68⅞	.75	.68¾	.71½
		Rye				
.59	.31½	July	.32½	.34⅜	.32	.32½
.55⅝	.33¾	Oct.	.34	.34½	.33⅜	.34½
.37⅞	.34½	Dec.	....	.35½	.34½	.35½

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week to July 19

High *to date	Low		Close July 12	High for week	Low for week	Close July 19
		Wheat				
.64½	.47⅜	July	.47⅝	.49	.48	.49
.66½	.50⅞	Oct.	.50⅜	.53	.51	.53

*Since trading opened March 3, 1931.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
July 19, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.60	.80
Acadia Sugar pf.	2.50	2.85
Acme Farmers Dairy pfd.	60.00	68.00
Agnew Surp. pfd.	52.00	58.00
Allens Lond. pfd.	30.00	....
Do., Toronto pf.	13.50	....
Andian Nat. Corp.	18.50	20.50
B.C. Pulp & Paper com.	....	2.00
B.C. Pulp & Paper 7% pfd.	....	9.50
Can. & Dom. Sugar com.	15.50	16.00
Can. Machinery c.	2.50	4.80
Do., 7% pfd.	21.00	25.00
Can. Packers c.	7.00	8.25
Do., 7% pfd.	44.00	50.00
Can. Starch pfd.	64.00	68.00
Can. Tea pfd.	....	55.00
Can. Wire & Cable pfd. W.W.	70.00	71.50
Can. Celanese pf.	36.00	44.00
Can. Industries c. "A"	49.00	54.00
Do., c. "B"	47.00	52.00
Do., 7% pfd.	97.25	98.25
Can. Westing.	35.00	40.00
Chase, A. W. Units	27.00	28.50
Claude Neon Gen. Adv. com.	1.50	3.00
Claude Neon Gen. Adv. Units	20.00	24.50
Crescent Creameries pfd.	50.00	55.00
Dodge Mfg. "B" com.	1.10	....
Dodge Mfg. "A" pfd.	5.00	....
Dom. Foundries & Steel com.	5.50	6.75
Dom. Foundries & Steel pfd.	67.00	....
Dom. Mfrs. pfd.	65.00	69.00
Dom. Tar pfd.	....	29.00
Dunlop Tire 7% pfd.	37.75	38.75
Eastern Car 6% pfd.	36.00	....
Eastern Dairies Ltd. pfd.	59.00	63.00
Federal Grain pf.	29.00	22.50
Goderich Elevator & Transit	10.00	11.00
Greening Wire 7% pfd.	65.00	75.00
Guard. Realty pf.	....	30.00
Guelph Carpet pfd. bonus com.	67.00	72.00
Inter City Bak. c.	39.50	42.50
Inter. Proprietaries "A"	20.00	21.50
Langleys pfd.	....	43.00
Loew's London c.	.50	1.00
Loew's London pf.	2.35	3.00
Massey Harris pf.	12.00	....
Morrow Screw Nut 7% pfd.	90.00	98.00
Mt. Royal Hotel c.	.50	1.10
Do., 6% pfd.	5.00	7.75
Nat. Grocers c.	1.00	1.85
Do., 2nd pfd.	....	26.00
Price Bros. c.	4.00	....
Prov. Paper pfd.	28.00	32.00
Reliance Grain pf.	46.50	51.00
Rolland Paper pfd. W.W.	....	35.00
Standard Clay Products c.	18.50	23.00
Standard Fuel pfd. bonus	50.00	52.50
Supertest Petroleum "B" pfd.	15.50	20.00
Toronto Brick pf.	....	35.00
Toronto Carpet c.	....	93.00
Do., 8% pfd.	75.00	90.00
Toronto Elevators 7% pfd.	66.00	70.00
Toronto Hous. c.	21.50	30.00
Un. Amuse. "A"	15.00	18.00
Western Grain pfd. bonus c.	11.00	15.00
Willards Choc. pf.	....	22.50
Insurance Stocks:	**Bid**	**Asked**
Can. Life Assur.	....	390.00
Canada Nat. Fire	14.00	15.50
Candn. Fire Ins.	67.50	74.00
Capital Life 20% pd.	10.00	16.00

Insurance Stocks:	Bid	Asked
Confederation Life 20% pd.	135.00	142.00
Continental Life 20% pd.	50.00	57.00
Crown Life Ins.	100.00	....
Dominion Fire	85.00	95.00
Dominion Life 50% pd.	265.00	295.00
Dom. of Can. Gen. Ins.	....	143.00
Empire Life 15% pd.	6.00	....
Excelsior Life 30% pd.	74.00	80.00
Fidelity Ins. of Canada	....	70.00
Gt. West Life	200.00	220.00
Guarantee Co. of N. A.	209.00	270.00
Halifax Fire	6.50	7.75
Imperial Life	....	290.00
Manufac. Life	....	245.00
Monarch Life 10% pd.	18.00	20.00
National Life 25% pd.	....	85.00
Saskatchewan Life 10% pd.	....	16.00
Sovereign Life 25% pd.	15.00	19.50
Sun Life Assur.	178.00	190.00
Western Assur. c.	15.00	17.50
Western Life 20% pd.	6.00	12.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	145.00	165.00
Can. Gen. Investments Ltd.	2.00	2.75
Chartered Trust	64.00	71.00
Debent. & Sec. c.	....	25.00
Do., pfd.	....	38.00
Eastern Can. Sav. & Loan	104.00	118.00
Eastern Trust	125.00	145.00
Guelph & Ont. Inv. par $50	45.00	52.00
Investment Foundation Units	14.00	18.00
Lambton Loan & Savings	55.00	64.00
London & Western Trust	83.00	90.00
Midland Loan & Savings	16.00	....
Mtg. Disc. pfd.	2.00	3.00
Mutual Fin. pfd.	....	3.00
Do., com.	....	3.00
Northern Trust	....	23.50
Premier Trust	30.00	36.50
Security Loan & Savings	95.00	104.00
Sherbrooke Trust	95.00	105.00
Sterling Trust	60.00	66.00
Traders Fin. c.	....	1.00
Do., pfd.	10.00	19.00
Trusts & Guar.	41.00	45.00
Victoria Trust & Savings	170.00	....
Waterloo Trust & Savings	100.00	110.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	82.50	85.00
Calgary Pwr. pfd.	52.50	54.00
Can. Light & Pwr. com.	14.00	17.00
Can. West. Nat. Gas LH&P c.	18.50	28.00
Can. West. Nat. Gas LH&P pfd.	54.50	58.00
Great Lakes Pwr. pfd.	....	64.00
N.B. Pwr. 1st pfd.	....	45.00
N.B. Telephone c.	6.50	8.00
N.S. L&P pfd.	50.00	55.00
Ottawa LH&P pf.	80.00	....

Recent London Quotations:

Brewer Distillers	3s. 6d.
Can. & For. Sec.	3s. 9d.
Can. West. Lumber	9d.
Hudson's Bay	17s. 6d.
Do., 5%	57s. 6d.
Internat. Holdings	$13-15
Nld. Pr. & Pap. deb. stock "B"	85
Trust & Loan of Can.	1s. 9d.

Listed Bond Quotations

Week Ending July 18

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	21	...	...	46	18½
Asbestos	5	1942	...	...	...	...	65½	49
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	[illegible]
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	†6½	...	...	7	6
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.28	†100	...	...	100	96
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	...	†98½	...	...	*98½	98
McNish	6	1948	...	†1.25	...	...	1.25	...
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mont. L.H.&P. debs.	3	1939	...	...	39½	37	46½	35
Mont. Tr. 1st mtge.	5	1941	6.32	...	...	...	93½	91
Mont. Tr. "A"	5	1955	7.59	73	72	...	80½	69½
Mont. Tr. G. & R. "B"	5	1955	7.45	73	...	...	79½	79½
Do., "C"	4½	1955	...	...	...	...	*85	84
Do., "D"	5	1955	6.62	73	...	...	81	78
N. S. Steel	5	1959	...	...	...	...	*62½	50
Ont. Steel	6	1943	5.94	90	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Can.	6	1940	5.90	100½	...	...	102½	100½
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	...	69	...	...	*99½	98½
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Can.	6	1940	5.80	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.70	109.75	....	....	107.00	105.00
Victory Loan	5½	1933	4.46	101.00	101.00	....	101.25	100.25
Do.	5½	1934	5.05	100.60	....	....	100.85	99.25
Do.	5½	1937	4.15	106.00	....	....	108.15	104.00
Do., refund	4½	1940	5.26	94.00	....	....	94.60	91.50
Do., refund	5	1943	5.29	98.00	....	....	98.25	95.38
Do., refund	4½	1944	5.30	92.25	....	....	92.25	89.50
Do., refund	4½	1946	5.25	92.25	....	....	92.25	91.50
Do., renewal	5½	1932	3.00	100.50	....	....	100.60	100.25
Conversion Loan	4½	1956	5.23	90.00	....	....	91.25	88.25
Do.	4½	1957	5.37	90.00	....	....	90.50	88.00
Do.	4½	1958	5.28	91.75	....	....	92.75	88.50
Do.	4½	1959	5.21	92.00	....	....	92.25	89.00
Nat. Service Loan	5	1936	5.16	99.00	....	....	98.50	96.25
Do.	5	1941	5.22	98.00	....	....	98.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited
Canada Permanent Bldg., Toronto, Ontario
July 18, 1932

Provinces:	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Newfoundland	5	31 Dec., 1952	31 Dec.	55.00	10.30
*Newfoundland	5½	1 July, 1939	1 Jan.	65.00	13.35
*Newfoundland	6½	30 June, 1936	30 Dec.	70.00	17.00
*Alberta	4½	1 Oct., 1958	1 Oct.	79.50	6.05
Alberta	5	1 July, 1943	1 Jan.	88.00	6.55
Alberta	6	1 Mar., 1947	1 Sept.	96.00	6.40
*British Columbia	4½	1 Oct., 1953	1 Oct.	82.00	6.00
*British Columbia	5	15 Jan., 1948	15 Jan.	89.80	6.00
British Columbia	6	15 Feb., 1947	15 Aug.	98.00	6.20
Manitoba	4	1 July, 1947	1 Jan.	75.50	6.60
*Manitoba	5	2 Dec., 1959	2 Dec.	88.00	5.90
Manitoba	6	1 Apr., 1947	1 Oct.	95.25	6.50
*New Brunswick	4	1 June, 1948	1 Dec.	85.15	5.40
*New Brunswick	4½	15 June, 1936	15 Dec.	97.70	5.40
New Brunswick	5½	1 May, 1950	1 Nov.	96.50	5.80
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	90.25	5.40
Nova Scotia	5	1 May, 1948	1 Nov.	94.75	5.65
*Ontario	4½	1 Sep., 1944	1 Sept.	94.50	5.10
Ontario	5	15 Oct., 1948	15 Oct.	94.75	5.45
Ontario	5½	1 Feb., 1947	1 Aug.	99.75	5.52
P. E. I.	4	1 Apr., 1939	1 Oct.	88.70	6.00
P. E. I.	6	1 May, 1947	1 Nov.	100.00	6.00
*Quebec	4½	1 May, 1961	1 Nov.	94.00	4.62
Saskatchewan	4½	1 Oct., 1944	1 Oct.	80.50	6.85
Saskatchewan	5	1 Oct., 1950	1 Oct.	84.00	6.50
Saskatchewan	6	15 Mar., 1952	15 Sept.	95.00	6.45
Cities					
*Montreal	5	1 Sep., 1963	1 Sept.	91.85	5.55
*Toronto	4½	1 Jan., 1955	1 Dec.	86.60	5.55
*Vancouver	5	15 Jan., 1970	15 Jan.	81.95	6.25
Winnipeg	5	1 Mar., 1944	1 Sept.	86.50	6.65
*Edmonton	5½	1 Apr., 1947	1 Oct.	82.00	7.55
Calgary	5	1 Jan., 1943	1 Jan.	82.05	7.50
Halifax	6	1 July, 1951	1 Jan.	100.00	6.00
Saint John	5	15 Dec., 1950	15 Dec.	88.75	6.00
Regina	4½	1 July, 1950	1 Jan.	70.65	7.50
Victoria	5	21 July, 1945	21 July	84.65	6.75
Quebec	5	1 June, 1948	1 Dec.	94.75	5.50

*New York payment.

Winnipeg Stock Exchange

July 15, 1932

	Bid	Ask		Bid	Ask
Beaver Fire	..	115	N. Can. Mtge. pfd.	..	15
Beaver Lumb. pfd.	..	80	North. Trust	..	24
Can. Amer. Tr. shs	..	2½	Un. Gr. Growers	10	..
City Dairy (Wpg.) pref. 7%	..	50	Traders' Bldg.	75	..
Do., pref. 8%	..	80	West. Breweries	1	2
Corp. Steel c.	..	5	Fund. Tr. shs. "A"	..	2½
Cres.-Cream. pfd.	..	55	Do., "B"	..	2½
Home Inv. & Sav.	20	25	Grouped Inc. Shs.	..	2.57

Stocks With Minimum Prices

Ogilvie Milling c.	185	Price Bros.	25
Ottawa L. H. & Pr. c.	100	Do., pref.	70

Imperial Oil Employees Vote to Buy Company Stock In Overwhelming Numbers

Fourth Investment Trust Starts With 93% of Workers Participating

AID FOR OLD AGE

Wish to Supplement Generous Pension and Benefit Plans Already Operating By Company

On the request of 93.03 per cent of the eligible employees of Imperial Oil and its subsidiaries, the Fourth Co-operative Investment Trust of Imperial Oil swung into operation on July 1, 1932, for a three-year period. Despite a continuous drop in market value from 11¼ in 1929 to as low as 7½ in 1932, and although the market value is now between $8 and $9 a share, employees have shown a decided preference to continue these trusts which give the employees a chance both to get a stake in their company and to build up an investment fund for old age.

The company has at the request of employees held three previous investment trusts. In the first trust ending Dec. 31, 1925, 47.98 per cent of the company's employees took part; in the second trust ending Dec. 31, 1928, 60.51 per cent of the employees took part; 82.10 per cent participated in the third co-operative investment trust which terminated on January 1, 1932; and now in the fourth trust 93.03 per cent of eligible employees desire to get a further stake in their company.

Hold 1,939,639 Shares

As a result of the first three trusts 1,939,639 shares of the 26,-717,825 outstanding no par value common shares were sold to employees. Just how much of this is now held is not stated but the rules of each succeeding trust make it certain that a very large percentage have retained control of the shares distributed to them at the conclusion of each trust.

It is, of course, evident that employees at present market prices get more shares for their money under present price conditions because of the depression. The company's earnings have declined since 1929 from 99 cents a share to nearly 70 cents a share but its financial position has become stronger and its 50-cent dividend has not been changed one iota except for one bonus payment of 50 cents a share. The powerful affiliations of the company, the potential prospects when the crude oil market demoralization is finally overcome and its strategic position to participate in any advance which Canada may make in the future, have together impressed employees of the company even more powerfully than members of the investment world—and this in spite of the manifold troubles which the industry south of the line has been meeting and the competition which Canadian companies to a growing extent are experiencing.

The company's plans for employees have not been limited to this opportunity to buy the company's own stock. It has an annuity plan and a benefit plan and the industrial councils at the various plants decide many questions of policy relating to the welfare of employees.

The purposes of this trust are to enable the employees of the company and those actively engaged in the conduct of its business to become stockholders therein on favorable terms, and to assist them in paying for the stock. The new trust will be in operation during the term of three years from July 1, 1932. The fund to be established and operated for the purposes of this trust will be made up by joint deposits of the employees and the company and its qualified subsidiaries, and to these deposits will be added whatever dividends are received from stocks held in the fund.

The fund is administered by five trustees appointed by the board of directors, which board has power of removal and substitution. Three of the trustees may be officers or directors and two employees who are depositors in the trust but not officers or directors of Imperial Oil, Ltd.

Most are Eligible

Eligible employees are those who on July 1, 1932, or thereafter during existence of the trust shall have been in the regular and continuous employ of the company or of any of its subsidiaries, or who have been actively engaged in the conduct of its business for the term of not less than one year.

As this plan was made in the hope of inducing employees to prepare for their later years, every effort is being made to induce employees to retain their stock. It is provided that an employee who was a participant in the Second Co-Operative Investment Trust and was not a participant in the Third Trust, and who parted with the ownership of more than one-half of all stock he received on the termination of the said Second Trust, shall be ineligible to participate in the fourth trust for the first year of the said trust, if the disqualifying act shall occur prior to July 1, 1932, and also one year following such disqualifying act if it occurs subsequent to July 1, 1932.

If an employee who was a participant in the third co-operative Investment trust and was not a participant in the second trust, parts with the ownership of more than one-third of all stock he received on the termination of said third trust, he shall be ineligible to participate in the fourth trust for one year following such disqualifying act.

If an employee, who was a participant in both the second and third co-operative investment trusts, parts with the ownership of more than one-half of the total amount of stock he received on the termination of both said trusts, he also shall be ineligible to participate in the fourth trust for one year following such disqualifying act. Stock acquired through participation in the first co-operative investment trust will be accepted, as a substitute for part or all of the percentage of stock required under any of the eligibility provisions.

Wants Employees Who Stick

No employee may become a participant for the first time within six months prior to the termination of the trust.

Any eligible employee may authorize the company to deduct from his wages or salary on pay day, either monthly or otherwise, a sum not in excess of ten per cent to be placed by the trustees in the fund to his credit. No employee is permitted to increase the amount of his deposits during the last six months of the trust.

Concurrently with the making of any such deposit on behalf of an employee the company shall out of its own moneys pay into the fund to the further credit of such employee a sum equal to fifty per cent of his deposits.

So far as investment of sums is concerned the trustees shall from time to time apply the moneys remaining in the fund to the purchase from the company of shares of its capital stock at prices to be fixed.

Price Fixed Semi-annually

As to the price paid for the stock, the price shall be fixed by the board of directors of the company on January 1 and July 1 of each year in the case of stock originally issued by the company. Such price shall not be above nor more than ten per cent below the average market price of the stock for the previous three months. The price so fixed shall govern as to all such purchases during the succeeding six months.

As to stock which the company shall have purchased, the price shall be the cost to the company of such purchased shares, provided, however, that the price thus payable by the trustees shall not exceed the price currently applicable. The stock is issued in the name of the trustees.

Failure of an employee to make deposits when due may, at the option of the trustees, be deemed to be a withdrawal from the trust and the employee shall receive in cash, if the trustees decide to terminate the employee's participation in the trust, the amount paid in with interest at the rate of six per cent per annum, or he may, at the option of the trustees, be assigned the equivalent in capital stock of the company at the actual cost of stock purchased for his account.

May Withdraw

Similar action may be taken with respect to any participating employee who becomes ineligible for any cause. Any employee may elect to withdraw from the fund and receive back from the trustees the amount of money deposited by him with interest at six per cent per annum, or the equivalent in capital stock of the company, at the option of the trustee. Such withdrawing employees, however, will not be eligible again to participate in the fund for the period of one year. Similar action may be taken with regard to an employee who leaves the service of the company, voluntarily or is discharged for a good cause, of which the trustees are the sole judges.

An employee who is retired under the company's annuity plan, who is permanently laid off for no fault of his own, or who quits the service of the company or of any of its subsidiaries on account of total disability or for other satisfactory cause, shall receive the full amount of stock or cash then standing to his credit on the books of the trustees, and shall cease to be a participant in the fund.

Commission agents are allowed to participate in the stock by depositing amounts not to exceed ten per cent of the commission received from the company, during the twelve months ending 60 days prior to the first day of the month in which his application is made. The maximum amount which a commission agent may deposit is not to exceed $20 per month, however.

On withdrawal or on the termination of this trust any sum standing to the credit of a participating employee less than the value of a share of stock shall be paid in cash.

Trust may be discontinued at any time on notice by the board.

Annuity Plan is Generous

The annuity plan of Imperial Oil and its participating subsidiaries is for all employees who fulfill the age and service requirements. The participating companies pay retirement annuities at their own expense and without contribution from the employees themselves. Supplementary annuities are paid to employees who contribute out of wages or salaries in accordance with the terms of the plan, but this is entirely voluntary.

For employees in the service at the end of 1931 and who remain in the service until retirement the company's present annuity plan proposes to pay for each year of credited service prior to Jan. 1, 1932, an annuity on the basis of 2 per cent of the average pay during the last five years of credited service. For service after Jan. 1, 1932, the company will pay for each year an annuity of one per cent of the average annual pay during last five years of credited service.

Employees are allowed to build this one per cent up to two per cent by voluntary contributions of about one-half of the expense required, the remainder being paid by the participating companies. There is a $300 minimum which applies only to that portion of the annuity paid for by the companies.

Credits for which annuities will be paid are limited to 37½ years. Voluntary rates of contribution range from 3½ to 5 per cent of earnings, and contributions are taken from the payroll. The fund is administered under the direction of the board of directors by an incorporated society known as the Imperial Oil Pension Fund Society.

Sickness and Death Benefits

There is also the benefit plan operated by the respective managements of the participating subsidiaries under the direction of a "benefit committee" appointed by the board of directors. Its purpose is to provide accident and sickness disability and death benefits for employees. The cost of the plan is borne wholly by the company and its subsidiaries.

Mutual of Canada Makes Gain in 1932

An increase of over $7,-500,000 in insurance in force as at June 30, 1932, is reported by Mutual Life Assurance Co. of Canada in a special statement covering operations in the first half of the year. New paid for Canadian business is said to have been 96 per cent of the corresponding figure for 1931 and in practically every province the company reports that its proportion of the total life insurance issued in the respective province by all companies is considerably higher than a year ago.

A decrease of over $1,000,-000 in net terminations through lapse and expiry is also reported.

CANADA NEEDS NATIONAL POLICY ON LIVE STOCK

J. S. McLean, Canada Packers, Outlines Situation in Annual Statement

MUST EXPORT MORE

British Preference and Definite Policy Would Overcome Danish Competition

Comment upon the close relationship that exists between the Canadian farmer and the Canadian packing industry, the difficulties encountered by Canadians in the export market during the past year and a national livestock policy for Canada is contained in the comprehensive annual report of Canada Packers Ltd. recently forwarded to shareholders. This annual statement is almost unique among the reports of Canadian corporations since J. S. McLean, president of the company, always contributes interesting side-lights on the problems on the packing industry in Canada in addition to presenting the financial results of the company's operations during the past year.

During 1931 the shipment of Wiltshire sides to England was resumed after two years. The feeding of low-priced grain to hogs increased production of hogs to a point where an export surplus was available but the same factors operating in Canada operated in other bacon-producing countries and shipments from Denmark, Holland, Sweden, and Baltic states increased to a weekly average of 188,916 sides in September, 1931, compared with a weekly average of 138,555 in 1930 and 116,889 sides in 1929.

Prices decreased materially in English markets and the situation was further aggravated in September by England going off the gold standard. Prices of select hogs on the Toronto market dropped from $9.57 in July to $5.31 in December. The Canadian farmer had to meet in the declining prices of hogs the same problem as that caused by the declinnig prices of wheat.

Has Canada a Livestock Policy?

Mr. McLean asks: "Has Canada a national livestock policy to which the individual farmer can relate himself? If not, should Canada have such a policy and what should it be?" The farmer and the packer are the two chief partners in the livestock industry and together should work out the answer. According to Mr. McLean, the factors upon which a Canadian livestock policy must be based are as follows:

"Canada is predominantly an agricultural country. Because of her vast area and her relatively small population she produces and must continue to produce an enormous agricultural surplus. Canada's fundamental problem agriculturally is that of finding the best market for the surplus and the chief phase of this problem is the question—In what form shall the surplus be exported? (The price at which the surplus is sold abroad has a significance which often is not realized. For that determines the price at which the whole crop is sold including the portion consumed at home. For instance, in the month of September there were marketed in Canada approximately 80,000 hogs weekly. Of these the products of approximately 5,000 hogs weekly were exported. The price of the whole 80,000 hogs was determined by the price paid in England for the 5,000.)"

The surplus to be exported may be in the form of primary agricultural products such as grain, or of secondary products, such as, livestock, butter, etc. From 1920 to 1930, the trend was toward exporting the surplus in the form of primary products, wheat. This policy turned out badly. Wheat was the first agricultural product to feel the depression and through 1929 and in the first half of 1931, prices of animal products remained high relatively to grains. This led to a diversion into livestock production which, in the end, brought prices of animal products to the level of grain. In a world crisis such as the present, agriculture cannot escape the fate of all other business. Most of the farmer's products, like most products of other industries, must be sold below the cost of production.

Should Export Secondary Products

Mr. McLean holds that Canada's exportable surplus should go abroad chiefly in the form of secondary products among which are animal products. This offers a plan of diversification. Certain animal products are not suitable for export since Canada is not on a good competitive basis with other countries. Bacon is not regarded in this class and it is stated that regular weekly deliveries should be made to England regardless of price. Over a period this market must be profitable providing Canadian methods of hog production are on a level with those of her most efficient competitors. It is here that Canada has failed in the past. Efficiency in bacon production includes, breeding, husbandry, transportation and manufacture?

The best hogs produced in Canada are stated to be as good as the best produced anywhere but the percentage of select hogs is not more than 15 per cent which is not sufficient to do a large export business. Farmers should concentrate on the breed best adapted to the demands of the English market and at the same time, one that does best under Canadian climatic and feed conditions. Production should be increased from 6,000,000 hogs to 8 or 9,000,000 hogs per year. The cost of production is stated to be 1 cent per pound higher than would be the case if the best rearing and feeding practice were followed; 1 cent per pound is equivalent to $2 per hog.

Losses due to less than carload lot loadings and to mortality and bruising in transit amounts probably to millions annually and can be much reduced by co-operation between producer, packer and intermediary agents, the drover, the carrier, and stock yard companies. In manufacturing it is necessary to convert the hogs into products that will be most acceptable and bring back the highest price in the world's markets. Waste in manufacturing is stated to be enormous and plants exist capable of handling twice as much livestock as Canada now produces. Within the last 13 years, it is estimated that losses in packing house securities have probably amounted to $20,000,000 and while the farmers did not themselves suffer the loss they do suffer to some extent in the fact that the industry carries twice as large a plant as the volume of business required. The simplest way to solve this is to produce more product.

Hope for Preference

Bacon, it is stated, is likely to be one of the chief products discussed at the Imperial Economic Conference as a vehicle to expand Canadian and British trade. There is even hope that a preferred position may be accorded by Great Britain to bacon from the Dominion. The methods by which such a preference might be given are a heavier duty on bacon from countries outside the Empire, or a quota regulating from time to time the total quantities of bacon to be admitted into England. It is stated that a duty on meat is being strongly advocated in Great Britain in the interests of the British farmer and if such a duty were imposed it would ensure equally, or at least partially, to the benefit of the Canadian farmer. Such a preference would give Canada a commanding advantage over Denmark, its chief competitor, providing that in other respects Canada places herself on a basis of equality by the adoption of equally efficient methods.

Denmark Leads

It is stated that at present Canada is much behind Denmark in efficiency and that even if an Empire preference were set up Canada could not easily take full advantage of it because Canada has not sufficient hogs. While shipments now range from 5,000 to 10,000 hogs weekly, it is believed that hog population is on the wane. It is also stated that not more than 25 per cent of the hogs produced in Canada are of a standard to meet British requirements, and the average efficiency in husbandry methods in Canada is so much below that of Denmark that the advantage of a preference might be wholly offset by this one factor alone. Correction of these disabilities is one of the major factors in Canadian agricultural policy today. It is held that the farmer is entitled to a much firmer lead on policy than he is getting from both the Department of Agriculture and from packers. While immediate conditions in the industry were never more depressing, it is believed that the signs never pointed more clearly to the wisdom of a great expansion in Canadian production of first quality hogs.

Times and Post Agree On Currency Problem

The Financial Post
May 21, 1932

In deciding where it fits into such a picture no country has a more difficult problem than has Canada. By the economics of geography; by the influence of $4,000,-000,000 of freely circulated capital of joint interest and by a manifold group of other interests we are tied to the United States, the chief of the gold countries.

By tradition, by the influence of a smaller amount of capital; by the repelling influence of a huge tariff wall between ourselves and the United States; by a powerful bond of sentiment; by our own vision of the future of the British Empire, we are urged to move in the other direction and follow the fortunes of the British pound.

When the British delegates to the conference raise the monetary question they will be propounding a puzzle that the Canadian delegates cannot easily solve. It will be simpler for us to agree to tariff preferences as a bond of Empire than to agree to a monetary arrangement that might cause us endless confusion in our relations with the United States.

The London Times
June 25, 1932

In coming to a decision on this policy, if it reaches the stage of the promulgation of a concrete scheme, none of the units of the British Commonwealth will be in the same difficulty as Canada. By the economics of geography, by the influences of some $4,000,000,000 of freely circulated capital of joint interest, and by a varied group of other interlocking connexions, Canada is bound by strong financial ties to the United States, the chief of the gold countries. But on the other hand by a desire to escape financial domination by her wealthier neighbor, by the repelling influence of the almost prohibitive tariff wall which she has erected, by a powerful sentimental attraction, and by a vision of the possibilities of co-ordinated Imperial development, Canada has powerful motives to follow the fortunes of the British pound. The emergence of the issue will present some puzzling questions for Canadian bankers, and there is at present no sign of any definite trend of opinion among them on the subject.

Arrange for Wool Storage

Arrangements for storage, grading and shipment of western wool through Vancouver have been completed by the Canadian Co-operative Wool Growers' Association, and the British Columbia port is expected to become the wool distribution centre for Western Canada.

Could Recover More Gold

Addressing the Nova Scotia Mining Society recently, E. S. Romilly Smith, of Halifax, consulting engineer, stated that the gold mining industry of the province could be placed on a higher-paying basis by discarding the stamp mill treatment and installing plants which, while recovering a larger percentage of gold, would cost less to operate and maintain. Under the present system, he said, only half of the gold is recovered.

Mining Stock Quotations

Week Ending July 18.

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close July 11 (or last)	High for week	Low for week	Close July 18
1	.05½	.03	Abana	......	.03	.....	.....	.....
1	.02	.00½	Aconda	......	.00½	.....	.....	.....
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.00¾	Alexandria	11,000	.01½	.02	.01½	.01½
1	.01½	.00½	Algonquin	......	.00½	.....	.....	.....
1	.01½	.00½	Amity C.	......	.00½	.....	.....	.....
No	.22	.06	Amulet	7,534	.10	.12½	.11	.12
1	.00½	.00½	Apex	......	.00½	.....	.....	.....
1	.02½	.01	Area	6,500	.01½	.02½	.01½	.02½
No	.03	.00½	Arno	61,100	.02½	.02½	.02	.02
1	.02½	.02	Astoria Rouyn	......	.02½	.....	.....	.....
1	.07	.03	Bagamac	......	.03½	.....	.....	.....
1	.00¾	.00½	Baldwin	10,000	.00½	.00½	.00½	.00½
1	.12	.03½	Barry Hollinger	18,250	.05½	.08½	.06½	.07½
No	1.00	.30	Base Metals	100	.50	.55	.55	.55
No	.12	.01	Bidgood	23,500	.03	.03	.02½	.02½
1	.16½	.04	Big Missouri	15,600	.06½	.10	.06½	.09
1	.05½	.02	Bodjo	7,000	.04	.04½	.04	.04
1	.09	.02½	Brett Trethewey	5,500	.07	.09	.07	.08
No	.03	.00¾	Brownlee	4,500	.01½	.01½	.01	.01½
1	.00½	.00½	Buckingham	......	.00½	.....	.....	.....
No	.36	.02	Buffalo Can.	5,000	.02	.05	.02	.05
No	.03	.01	Bunker Hill	16,784	.02½	.03	.02½	.03
5s	.50	.10	B'Wana McKubwa	......	.10	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
No	.03	.02	Canam Metals	......	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	......	.02½	.....	.....	.....
1	.09	.00½	Canusa	4,000	.02	.02½	.02½	.02½
No	.02½	.00½	Capital Rouyn	......	.00½	.....	.....	.....
1	.07	.02½	Cartier Malartic	5,000	.02½	.02½	.02½	.02½
1	.16	.09	Castle Tretheway	31,500	.11	.16	.11	.16
1	.08	.04	Cen. Manitoba	6,900	.05	.06	.05	.06
1	.08	.02	Cen. Patricia	6,975	.05	.08	.04½	.08
No	.07½	.01½	Chibougamau Pros.	......	.02½	.....	.....	.....
No	.02	.00¾	Clericy	1,500	.01½	.01½	.01½	.01½
5	3.00	.45	Coast Copper	1,400	.75	1.50	1.00	1.30
1	.02	.00¾	Cobalt Contact	2,000	.01	.01½	.01½	.01½
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.08	.03	Columario	500	.03½	.03½	.03½	.03½
5	.80	.60	Coniagas	......	.60	.....	.....	.....
No	.40	.28	Coniaurum	4,738	.38	.40	.35	.40
25	75.00	25.00	Cons. Smelters	3,626	52.87	60.00	49.00	50.00
No	12.50	9.00	Dome Mines	8,526	11.25	12.25	11.10	12.15
No	.10	.02	Dom. Explorers	21,000	.04	.04½	.04½	.04½
1	.01	.00½	Don Rouyn	......	.00½	.....	.....	.....
.	.04	.04	Duparquet	5,950	.....	.04	.04	.04
1	1.55	.76	Eldorado	20,850	1.24	1.28	1.21	1.25
No	1.05	.47	Falconbridge	9,195	.75	.89	.65½	.89
1	.04	.00¾	Federal	......	.01½	.....	.....	.....
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	4,500	.01½	.01½	.01½	.01½
1	.02½	.00½	Goldale	5,000	.01½	.02	.02	.02
10	.11	.05½	Goldfield	500	.05½	.10	.10	.10
1	.00½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.04	.03	Goodfish	6,500	.03	.03½	.03	.03½
1	.01	.00½	Graham	......	.01	.....	.....	.....
1	1.25	.50	Granada	12,800	.85	.92½	.75	.75
1	.22	.09	Groselle	......	.10	.....	.....	.....
1	.02½	.01	Harker	3,000	.01½	.01½	.01½	.01½
1	.01½	.00¾	Hilltop	2,500	.00¾	.00¾	.00¾	.00¾
5	5.70	4.24	Hollinger	7,375	5.10	5.35	5.00	5.30
1	.49½	.26	Howey Gold	25,600	.48	.49½	.46	.47
No	2.78	.92	Hudson Bay	2,625	1.75	2.00	1.75	2.00
No	.20	.15	Huronian	......	.15	.....	.....	.....
No	11.00	4.00	Int. Nickel	41,625	5.62	6.62	5.37	6.25
1	.01½	.00½	Jackson Manion	8,500	.01	.01½	.01	.01
1	.23	.20	Keeley	550	.20	.20	.20	.20
1	.02½	.00½	Keora Mines	1,000	.00½	.01	.01	.01
1	.70	.40	Kirk. Hud. Bay	3,300	.50	.46	.45	.45
1	.02½	.00½	Kirk. Hunton	1,000	.00½	.00½	.00½	.00½
1	.55	.19	Kirkland Lake	10,650	.34½	.36	.34	.36
1	.03½	.00½	Kirkland Premier	3,500	.01½	.01½	.01½	.01½
1	.13	.05	Kirk. Townsite	9,000	.05	.07½	.07	.07
20c	.01½	.00½	Koot. Florence	......	.00¾	.....	.....	.....
1	.01½	.00½	La Rose	......	.01½	.....	.....	.....
1	.41	.14	Lakeland	......	.15	.....	.....	.....
1	29.50	24.90	Lake Shore	1,605	28.75	28.80	28.50	28.75
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.07	.01½	Lebel Oro	......	.02½	.....	.....	.....
1	.41	.13	Macassa	145,505	.22	.26	.22	.29
1	.07	.02½	Malartic	10,600	.04	.05½	.04	.04
1	.01½	.00½	Malrobic	19,000	.00¾	.00¾	.00½	.00½
No	.06	.01	Mandy	......	.04	.....	.....	.....
No	.01½	.00½	Manitoba Basin	......	.00½	.....	.....	.....
5	20.25	14.70	McIntyre	8,061	17.65	20.25	17.40	19.90
1	.35	.25	McKinley	......	.30	.....	.....	.....
No	.09½	.02½	McLeod River	68,500	.03	.03½	.02½	.03
No	1.53	.58	Mining Corp.	8,140	1.10	1.53	1.08	1.46
1	.08½	.01½	Moffatt Hall	25,550	.02	.02	.01½	.01½
1	.02½	.02½	Moneta	......	.02½	.....	.....	.....
1	.45	.19½	Moss	15,300	.32	.32	.28	.32
1	.02½	.00½	Murphy	8,000	.01	.01	.01	.01
No	.03	.01	Newbec	5,100	.01	.02	.01	.02
5	1.15	.50	Nipissing	4,060	.68	1.11	.68	1.04
No	19.80	12.50	Noranda	12,096	15.75	17.00	15.40	16.75
No	.24	.10	Nor. Canada	5,000	.12	.13½	.12	.13½
No	.01	.00½	Old Colony	......	.00½	.....	.....	.....
1	.08	.05	Osisko	......	.08	.....	.....	.....
1	.10	.07	Parkhill	......	.07½	.....	.....	.....
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk	......	.01	.....	.....	.....
No	1.15	.35	Pend Oreille	2,300	.45	.59	.45	.59
1	.01	.00½	Peterson Cobalt	......	.01	.....	.....	.....
1	4.10	3.00	Pioneer Gold B.C.	1,100	3.50	3.75	3.55	3.65
1	.00¾	.00½	Porcupine Crown	......	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	......	.00½	.....	.....	.....
	.12	.12	Powell Rouyn	......	.12	.....	.....	.....
1	.62	.32	Premier Gold	4,400	.46	.51½	.47	.51
1	.00¾	.00½	Preston E. Dome	......	.00½	.....	.....	.....
No	.30	.15	Prospectors Air's	......	.21	.....	.....	.....
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.06	.03	Quemont	......	.04	.....	.....	.....
1	.02½	.00½	Ribago	8,000	.00½	.01	.00½	.00½
1	.02½	.01	Ritchie	1,000	.01½	.01½	.01½	.01½
1	.01½	.00½	Robb Montbray	......	.00½	.....	.....	.....
1	.42	.25	San Antonio	4,232	.40	.42	.40	.42
1	.09	.07½	Seven Troughs	......	.07½	.....	.....	.....
1	.65	.18	Sherritt Gordon	23,046	.37	.43	.37½	.42½
1	.75½	.50	Siscoe	66,460	.71½	.73	.68	.71
1	.03	.00½	South Keora	......	.01	.....	.....	.....
No	.02½	.00½	Stadacona	13,500	.01½	.01½	.01½	.01½
1	.17	.05	St. Anthony	3,100	.05	.05½	.05	.05
No	.45	.16	Sudbury Basin	4,850	.25	.40	.26	.40
1	.01½	.00½	Sudbury Contact	......	.00½	.....	.....	.....
1	.01	.00½	Sudbury Mines	2,000	.00½	.00½	.00½	.00½
1	.12	.07	Sullivan	5,600	.09	.12	.11	.11
1	.65	.39	Sylvanite	16,800	.57	.60	.58	.60
1	.07	.01	Tashota	31,100	.03	.02½	.02	.02½
1	5.25	3.10	Teck Hughes	20,480	4.35	4.50	4.20	4.32
1	.04	.02	Thom. Cadillac	1,500	.03	.04	.03	.04
1	.40	.10	Towagmac	1,150	.20	.20	.20	.20
1	3.00	1.01	Treadwell	200	1.25	1.25	1.25	1.25
1	.09½	.02	United Kirkland	2,500	.05	.06	.05	.05
1	.01½	.00½	Vacuum Gas	......	.00½	.....	.....	.....
No	.53	.16	Ventures	40,900	.36½	.47½	.37½	.46
1	.17½	.04	Vickers	......	.06	.....	.....	.....
1	.45	.20	Vipond	2,400	.28½	.30	.27	.30
No	1.00	.25	Waite Ackerman	......	.30	.....	.....	.....
1	.07	.01	White Lake	......	.01	.....	.....	.....
1	.01	.01	Wiltsey Coughlan	......	.01	.....	.....	.....
	.10	.04½	Wood Kirkland	2,600	.09	.08	.06	.07
No	3.06	2.09	Wright-Hargreaves	18,965	2.71	3.00	2.72	2.95
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	18,600	.13	.12½	.12	.12½
1	1.17	.60	Ajax	2,470	.70½	.73	.68	.70
1	.12	.04½	Alta. Pacific	100	.05	.05	.05	.05
1	.03½	.02	Askalta	......	.03½	.....	.....	.....
No	.10	.03	Associated	......	.05	.....	.....	.....
No	.04	.01	Baltac	......	.02	.....	.....	.....
	.05½	.00½	Benton	......	.00½	.....	.....	.....
1	.06	.02½	Brit. Dominion	......	.03½	.....	.....	.....
No	.38	.14	Calgary & Ed.	......	.15	.....	.....	.....
1	.09	.04	Calmont	......	.04	.....	.....	.....
1	.11	.03	Common. Pete	500	.05½	.05½	.05½	.05½
No	.20	.06½	Dalhousie	......	.07	.....	.....	.....
No	.01	.01	Devenish	......	.01	.....	.....	.....
No	.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.12½	.04	East Crest	500	.06	.06	.06	.06
No	.01½	.01½	Fabyan Pete	......	.01½	.....	.....	.....
No	.10	.06	Foothills	......	.06	.....	.....	.....
No	.08½	.02	Freehold	......	.02	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.03	Hargal	......	.03	.....	.....	.....
No	.05	.02	High Sarcee	......	.02	.....	.....	.....
No	.47	.15	Home	1,120	.15	.20	.16	.16
No	.05	.01½	Homestead	......	.01½	.....	.....	.....
1	.50	.09	Homestead O. & G.	4,500	.15	.17	.14	.17
1	.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	......	.00½	.....	.....	.....
No	.04	.04	Lowery	......	.04	.....	.....	.....
No	.02	.00½	Madison	......	.00½	.....	.....	.....
1	.15	.05½	Mayland	1,000	.07	.06½	.06½	.06½
No	.04	.01½	McD. Segur Ex.	......	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	......	.01	.....	.....	.....
1	.50	.18	McLeod	......	.18	.....	.....	.....
No	.10½	.06½	Mercury	......	.07½	.....	.....	.....
No	.08	.04½	Merland	......	.06	.....	.....	.....
No	.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	.20	.12½	Model	......	.13	.....	.....	.....
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.01	Nordon	4,400	.03½	.05	.04	.05
No	.04½	.02	Oil Selection	40,000	.03½	.03½	.03	.03½
No	.05	.02½	Okalta	......	.03	.....	.....	.....
100	15.00	15.00	Do., Pref.	......	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil	85,300	.27	.32	.26	.28
No	.06½	.02	Penn. Pete	98,400	.04½	.04½	.04	.04½
No	20.00	20.00	Perfection Pete pfd.	......	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas	......	.15	.....	.....	.....
No	.14	.08	Ranchmen's	......	.09	.....	.....	.....
1	.01	.00½	Regent	......	.00½	.....	.....	.....
No	.02½	.01	Richfield	......	.01	.....	.....	.....
No	6.65	3.95	Royalite	......	4.00	.....	.....	.....
1	.12	.05	Sarnia Oil	2,000	.08	.08	.07½	.07½
1	.03	.01	Signal Hill	......	.01	.....	.....	.....
1	.20	.10	Spooner	......	.10	.....	.....	.....
No	.11	.05½	Sterling Pacific	......	.05½	.....	.....	.....
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	.09½	.03	Vulcan	......	.03	.....	.....	.....
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to July 12)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.05	.03½	Beaver Silver	14,200	.03½	.04	.03½	.04
25c	.02½	.01	Bluebird	......	.02	.....	.....	.....
1	.12	.04	Bridge River Cons.	3,500	.04½	.05½	.04	.04½
25c	.01½	.01½	Cork Province	......	.01½	.....	.....	.....
1	.13	.02	Cotton Belt	......	.02	.....	.....	.....
.	.01½	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
1	.45	.15	George Copper	......	.20	.....	.....	.....
50c	.02	.01½	Geo. Enterprise	......	.02	.....	.....	.....
1	.04½	.02	Georgia River	......	.02½	.....	.....	.....
1	.24	.10	Golconda	......	.12	.....	.....	.....
50c	.08	.02	Grandview	300	.02½	.02½	.02½	.02½
1	.01	.01	Independence	......	.01	.....	.....	.....
1	.01½	.01	Indian Mines	......	.01½	.....	.....	.....
1	.12	.09	Inter. Coal	......	.12	.....	.....	.....
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
1	.19½	.07½	Lorne Gold	17,250	.08½	.09	.07½	.08
10c	.02	.01	Lucky Jim	......	.01	.....	.....	.....
5c	.12	.05½	Metaline Metals	......	.05½	.....	.....	.....
1	.03	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.03	.00½	National Silver	13,500	.01½	.01½	.01½	.01½
50c	.08½	.02	Noble Five	24,000	.02½	.02½	.02	.02½
50c	.01	.00½	Oregon Copper	......	.00½	.....	.....	.....
1	4.11	3.00	Pioneer Gold	1,050	3.50	3.75	3.60	3.65
50c	.08½	.02	Porter Idaho	4,000	.04	.03	.02½	.03
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
No	.28	.07½	Reeves McDonald	......	.07½	.....	.....	.....
1	.52	.21½	Reno Gold	2,400	.37	.39½	.38½	.39
1	.05	.02½	Ruth Hope	......	.03	.....	.....	.....
1	.03½	.02½	Silverado	......	.03½	.....	.....	.....
25c	.02	.01	Silver Crest	......	.01	.....	.....	.....
50c	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
20c	.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.01	Whitewater	4,000	.00½	.01	.01	.01
No	.00¾	.00½	Woodbine	......	.00¾	.....	.....	.....

DIVIDEND PAYERS

Company	Rate	Yield %	Company	Rate	Yield %
Ajax Oil	3c.	....	Petrol Oil	1c.	....
Dome Mines	$1+20c.	9.87	Premier	12c.	23.53
Hollinger	65c.	12.26	Pioneer, B.C.	12c.	3.28
Howe Sound	$1	....	Royalite	50c.	....
Lake Shore	$2+50c.	8.69	Siscoe	4c.	....
McIntyre	$1.50	7.53	Sylvanite	4+½c.	7.50
McLeod Oils	5c.	....	Teck Hughes	60c.	13.88
Noranda	50c.	2.98	Wright-Har.	10c.	3.39

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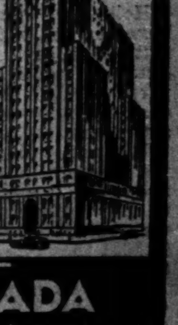

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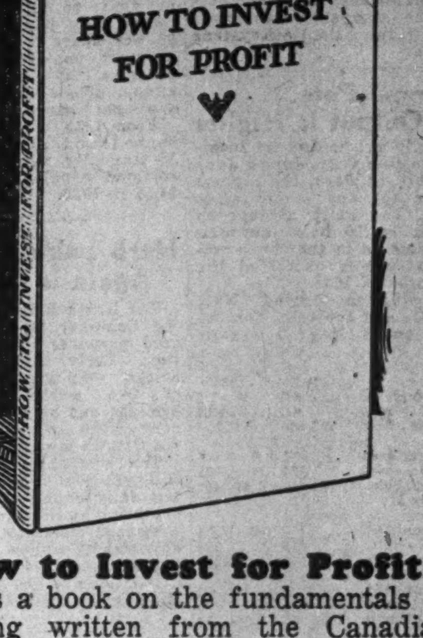

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Canadian Mining News

HOLLINGER EARNS 40 CENTS A SHARE FIRST SIX MONTHS

Production on Up Grade; Plans Early Exploration at Depth

Hollinger Consolidated Gold Mines earned $1,968,433, or equivalent to 40 cents per share in the first six months of 1932 as compared with 71 cents for the whole of 1931, according to an official statement just issued.

While the figures given are in the nature of an interim statement and do not account for depreciation or adjustments these factors may be considered as negligible as in 1931 they totalled less than $78,000.

In the six months period the mill treated 842,819 tons of ore and gave an average recovery of $6.69 per ton. It is apparent that the second quarter of the current year is somewhat better than the first three months period as far as production is concerned. In the first quarter the company treated, according to government reports, 415,367 tons giving an average recovery of $5.65 per ton. This production with exchange compensation added would be equivalent to approximately $2,700,000, or a total recovery of close to $6.50 per ton. This would indicate that the second quarter production was 427,452 tons with a gross value of $2,861,000, a recovery of $6.70 per ton for the second quarter.

Tonnage, too, has been stepped up somewhat in the present quarter. It is deduced that in the first three months of the year the mill treated an average of 4,565 tons daily, while in the second quarter the mill averaged about 4,650 tons daily.

To Sink Deeper

Minewise, Hollinger is progressing favorably in its newer developments, The Financial Post representative was told last week. The extensive geological study inaugurated three years ago to determine the possibility of ore at depth is expected to be completed by Dr. L. C. Graton, of Harvard University, and his staff by October next, at which time a more comprehensive survey of the mine's possibilities will be made public.

At the present time the deepest development work on the 3,950 ft. level is being directed at the further exploration, the No. 65 and 96 vein systems, referred to at the annual meeting. In order to further prospect these veins plans are being laid for their deeper exploration either by means of a winze sunk on the vein from the 3,950 ft. level or by sinking a new prospect shaft, capable of serving as a production shaft. Exploration is now under way to determine the most favorable area in the event of shaft sinking.

The following is a statement of operations for the six months ended June 30, 1932:

	6 mos. 1932 $
Value of gold & silver produced	5,558,507
Int. on invests. & other income	62,203
Total income	5,620,710
Operating expenditure including all chgs. & allow. for taxes	3,652,277
Total profit	1,968,433
Dividend requirements	1,599,000
Addition to surplus before depr. & adjustment	369,433

McDOUGALL-SEGUR SHOWS $2,239 LOSS

Royalties Form Principal Source of Income—Has $8,793 in Cash

A financial statement by the McDougall-Segur Exploration Co. of Canada covering the 17 months period ended February 29, 1932, shows a loss of $2,239 after a depletion reserve of $1,932.

The company's only source of operating income was from royalties from the British Dominion Oil & Development Corp. which has two small producing wells in the Turner Valley field. Net operating income after depletion was $7,730, while non-operating income was $510. General expenses, taxes and rentals amounted to $8,547 leaving a net loss of $2,239.

The balance sheet shows current assets composed of cash amounting to $8,793. Current liabilities total $1,107. Deferred assets include $438 due on subscriptions from the predecessor company now in liquidation and $121,610 advanced to a subsidiary, the New McDougall-Segur Oil Co., in which the company owns 253,005 of the 500,000 shares authorized and outstanding. The company also owns 1,357 shares in the Atlantic Keystone Petroleum Co.

International Pete. June Output is Higher

Average daily production by International Petroleum Corp. during June was 26,168 bbls. in Peru, the highest daily average for any month since March, 1931. The daily average in Colombia was 54,250 bbls., approximately the same as in the three preceding months but in excess of the last nine months of 1931.

Actual production during May, 1932, and 1931, and the total for the five months ended May 31 are as follows:

	1932	1931
May		
Peru:		
No. of wells completed	nil	2
Av. initial prod., bbls.	nil	57
Total crude prod., bbls.	757,404	561,557
Colombia:		
No. of wells completed	1	6
Av. initial prod., bbls.	584	923
Total crude prod., bbls.	1,682,353	1,479,452
5 Mos. End. May 31		
Peru:		
No. of wells completed	3	24
Av. initial prod., bbls.	49	288
Total crude prod., bbls.	3,147,076	3,459,250
Colombia:		
No. of wells completed	3	24
Av. initial prod., bbls.	656	672
Total crude prod., bbls.	7,942,920	7,944,872

Trail Ore Receipts

Following is a statement of ore received at the Trail smelter of Consolidated Mining & Smelting Co., for the period July 1 to 7, 1932, inclusive:

Name of Mine, Locality	Tons
Black Cock, Ymir	26
Goodenough, Ymir	51
Highland Lass, Beaverdell	43
Keystone, Salmo	26
Knobhill, Republic	92
Mountain Lion, Republic	57
O'Brien, Cobalt	43
Union, Lynch Creek	50
Wellington, Beaverdell	46
Yankee Girl, Ymir	330
Total	764
Total Company	4,123
Grand Total	4,887

Teck-Hughes Takes Toronto Quarters

Teck-Hughes Gold Mines, which recently announced the appointment of the general manager, Dr. D. L. H. Forbes, to the presidency, has now made arrangements for the establishment of a Toronto office for the president.

The new quarters of the company will be established in the Bank of Commerce Building, 25 King St. West.

Vipond Output $123,400 During Last Quarter

Production by Vipond Consolidated Mines in the second quarter of the current year showed a slight improvement over the first quarter with a total recovery of $123,400 as compared with $120,017 in the first quarter, but the grade of ore treated showed a slight decline to $4.61 per ton.

The lower grade of ore treated reflects the company's search for new ore bodies, which is occupying the company's attention at the present time. The grade of ore treated for over a year past has been steadily declining and while development work has given some encouragement nothing of outstanding importance has been found. Present operations are said to be meeting all expenses and the company has not had to dip into its reserves for its exploration undertakings. The following is a comparison of production for the second quarter of 1932 as compared with the first quarter:

Production

	Quarter June 30 1932	Ended Mar. 31 1932
Tons milled	26,778	25,604
Total recovery	$123,400	$120,017
Recovery per ton	$4.61	$4.70
Tons milled daily	288	275

Note—Exchange premium not included in above.

McINTYRE PROFITS 70 CENTS SHARE IN FIRST QUARTER

New High Earning Level is Established Presaging Rate For Year

McIntyre Porcupine Mines reports net earnings of $557,737, or 70 cents per share, for the three months ended June 30, 1932, the first quarter of its present fiscal year, as compared with 51 cents per share in the same period of 1931 and as compared with $2.60 per share for the entire last fiscal year.

This establishes a new high record earnings rate for the company as it is at the rate of $2.80 per share annually before providing for special write-offs, which in the last fiscal year amounted to 62 cents per share.

Tonnage figures are not given but it is known the mill is operating at full capacity of 2,000 tons daily while the grade of ore treated is slightly less than in the previous quarter when the recovery was $1,408,329 from 168,572 tons treated, or an average recovery of $8.36 per ton. This per ton recovery was abnormally high, due to the desire to maintain production while tonnage was curtailed.

The following is the official statement covering the first fiscal quarter for the three months ended June 30, 1932, as compared with the same period in 1931.

	1st quar. 1932 $	1st quar. 1931 $
Gross income	1,450,845	1,124,671
Less: Oper. exps. including development	753,386	623,401
Deprec. res.	67,981	52,941
Income tax res.	71,741	39,799
Net income	557,737	408,530
Earn. per share	$0.70	$0.51

Can. West. Natural Gas Common Dividend Cut

The dividend of Canadian Western Natural Gas, Light, Heat & Power Co. has been cut to an annual basis of four per cent on the $100 par value ordinary stock with the payment of an interim quarterly dividend of $1 per share on July 15, shareholders of record July 14. The annual rate of $6 per share was established with payment on January 15, 1932, the previous rate having been $4 per annum plus a quarterly bonus of 50 cents per share.

From 1929 to 1931, the dividend and bonus from the common stock totalled $6 annually while earnings in the common equalled $4.04 in 1931 and $4.56 in 1930.

Herb Lake Area, Man., Again is Gold Producer

The North British Mining and Milling Company is the latest Manitoba gold producer to come into production. Early this month two gold bricks, weighing 169 oz., the result of two weeks' operations, were brought out by C. B. Morgan, president of the company, for shipment to the Ottawa mint.

The company's operations are in the nature of a test plant with a 10-ton daily capacity mill, formerly in operation at the Bingo property. The company's holdings are known as the Ferro and Rainbow group comprising approximately 14 claims three and a half miles northeast of the old Bingo Mine in the Herb Lake section.

Commonwealth Petroleum Income For Exploration

Shareholders of Commonwealth Petroleum, operating in the Turner Valley field, Alberta, have received a notice calling an annual meeting on August 1, at which time a complete report will be rendered covering the company's operations. The company has one well producing in the Turner Valley field; this came into production the latter part of February, 1931, and has up to April 30, 1932, produced 37,003 barrels of crude naphtha having a net value of $103,741. The statement says the greater part of this income has been extended in the exploration of the crude oil areas. Two wells are being drilled at the present time.

HOWEY OUTPUT OVER $365,000 LAST QUARTER

New Records Being Established and Loan Melts to $100,000

Howey's record production of over $365,000 for the three months ended June 30, came as no great surprise to followers of this company's progress. This figure includes a premium of $43,000 and compares with a total value of production in the first quarter of $315,000 or an increase of over 15 per cent. At the current rate of production and exchange compensation it is evident that Howey is heading for a production in 1932 valued at close to $1,400,000, as compared with a production valued at $914,000 in 1931. Not only was there an improvement in the grade of ore treated as compared with the first quarter but also the tonnage was stepped up to an average of 900 tons daily.

With total operating costs approximately $2.50 per ton it is apparent that the operating profits for the last quarter were close to $155,000, which has been responsible for paying off much of the company's indebtedness to its vice-president, W. S. Cherry.

On July 1 this indebtedness had been reduced to $100,000 as compared with $420,490 on January 1, which is paving the way for the anticipated dividend late next year as mentioned by the company's president, R. T. Birks.

PRODUCTION

	Quarter June 30 1932	Ended Mar. 31 1932
Gold recovery	$322,000	$278,000
Tons treated	83,000	74,000
Premium received	$43,000	$37,000
Average grade	$3.85	$3.75
Daily aver.	900	815

DOME MINE EARNS $1.34 PER SHARE FIRST SIX MONTHS

New Records Made Owing to Big Showing Made in Second Quarter

The six months statement of earnings by Dome Mines, for the period ended June 30, 1932, shows net profits of $1,272,118 or equivalent to $1.34 per share before depreciation, depletion and adjustments. This is equivalent to approximately $1.23 per share after depreciation at the same rate as 1931 when the net profits after depreciation but before depletion were $1.56 per share for the entire year.

The ore treated in the first six months of 1932 was 267,800 tons from which the average extraction was $7.86 per ton, as compared with 542,600 tons throughout 1932, averaging $6.43 per ton. Production in the first three months of 1932 was 133,450 tons, valued at $956,955, or an average extraction of $7.17 per ton. By reduction the second quarter yielded 134,350 tons, valued at $1,147,761, or an average of $8.55 per ton.

Expect $4,000,000 Output

While the value of the company's production and profits are at new all time high levels, The Financial Post was officially informed that it does not necessarily presage earnings for the balance of the year. During the second quarter recovery was abnormally high due to some exceptionally rich ore developments but indications are that a production of close to $4,000,000 will result from the year's operations with earnings at a correspondingly high level, or close to the $2 rate per share after write-offs.

The following is the official statement issued covering operations for the first six months of 1932:

Tons milled	267,800
Total recov. ($7.859 per ton)	$2,104,715.57
Development, operating & general costs, ($3.716 per ton)	$ 995,058.53
Estimated provincial, Dominion & U.S. taxes	148,612.48
Operating profit	961,044.56
Non-operating income	311,073.49
Net profit*	$1,272,118.05

*No allowance was made for depreciation, depletion or other surplus adjustments.

Can. Night Hawk Mines Re-opening Its Property

Canada Night Hawk Mines is re-opening its barite property 18 miles south of the Hollinger Mine in the Porcupine area.

The company was incorporated about nine years ago and built a mill but through financial difficulties operations were suspended. Private finances have now been arranged and no shares are being offered the public. Plans call for a speedy rehabilitation of the mill and the installation of certain new equipment that will permit of the production of blanc fixe, a barium sulphate used as a pigment. This product at the present time is being imported principally from Germany and it is claimed that a considerable consumption is used in Ontario and that a market exists in the United States.

East Geduld Mines Profits Are High

East Geduld Mines, on the Far East Rand, in which Dome Mines has an interest, had a production of 18,929 oz. of gold in June. Production together with sundry revenue amounted to approximately £80,000 while total costs amounted to £53,900, leaving an estimated operating profit for the month of £26,100.

Maintained at this rate the operating profit would be about £314,000 annually from which the usual write-offs would be made. This is equivalent to approximately $1 per share of stock outstanding. Although in production less than a year an initial dividend of one shilling per share has been declared payable July 26.

Ontario's Gold Mines Establish New Records

June Production Valued at $4,179,045 With the Porcupine and Kirkland Lake Camps Both at New Levels

The gold mining industry which is now the greatest single producer of new wealth in Ontario, made another record of production during June, exceeding the figures for May by more than $100,000. The totals were $4,179,045 in June as against $4,079,045 in the preceding month. As compared with the half yearly output of 1931 the value has increased by almost three million dollars.

In June, 18 active gold properties reported production to the Ontario Department of Mines. The number of producers remained the same as in May, but the position in order of output among the smaller producers changed slightly, the Moss mine moving above the Ankerite, while the Minto and Parkhill reversed their positions with respect to one another, and moved above the Barry-Hollinger.

Porcupine Gains

The following table shows that the Porcupine area with eight mines increased its output value in June although the tonnage of ore milled showed a decrease from the previous month. The six mines of the Kirkland Lake camp also reported a gain in value from a lower tonnage milled. As compared with the figures for the six months period in 1931 both the major gold areas reported increases in tonnage milled and values recovered, Porcupine being up $884,383 in value while Kirkland Lake showed an increase of $1,492,401. Northwestern Ontario with four producing gold mines in 1932 more than doubled its output, expanding from $400,154 in first half of 1931 to $826,943 in 1932.

The average grade of ore treated during the first six months at Porcupine was $6.38 per ton as against $6.31 in 1931. At Kirkland Lake the average per ton increased from $13.02 in 1931 to $13.59 per ton in 1932, while the grade of the mines of northwestern Ontario increased from $4.30 per ton to $4.74.

Lake Shore Led in June

For the province as a whole the grade of ore treated during 1932 was therefore $8.65 per ton as against $8.49 in the corresponding period of 1931.

The mines in order of output for June:

Porcupine: Hollinger, McIntyre, Dome, Coniaurum, Vipond, Ankerite, March, and Hayden;

Kirkland Lake: Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Kirkland Lake Gold, and Barry-Hollinger;

Northwestern Ontario: Howey, Moss, Parkhill, and Minto.

Individual mines in order of output for June were: Lake Shore, Hollinger, Teck-Hughes, McIntyre, Dome, Wright-Hargreaves, Howey, Sylvanite, Coniaurum, Kirkland Lake Gold, Vipond, Moss, Ankerite, Parkhill, Minto, Barry-Hollinger, March, and Hayden.

The following is a tabulation of production by months for the first six months of 1932:

Monthly Output of Ontario Gold Mines

Source and Period	1931 Ore milled tons	1931 Total Value $	1932 Ore milled tons	1932 Total Value $
Porcupine:				
Calendar year	3,091,946	19,941,703	....	....
Monthly average	257,662	1,661,808	....	....
January	252,324	1,572,676	274,095	1,571,971
February	230,733	1,608,239	258,797	1,676,673
March	253,553	1,580,468	259,218	1,822,986
April	244,538	1,681,805	272,380	1,624,241
May	256,007	1,415,905	285,759	1,810,009
June	264,823	1,584,020	274,075	1,864,913
Total	1,503,165	9,486,410	1,624,324	10,370,793
Kirkland Lake:				
Calendar year	1,703,630	21,783,162	....	....
Monthly average	141,969	1,815,263	....	....
January	128,477	1,649,436	148,793	1,991,993
February	116,556	1,564,538	141,026	1,817,887
March	133,110	1,760,088	152,445	1,897,517
April	137,838	1,791,144	146,095	2,043,055
May	146,899	1,865,241	149,188	2,104,757
June	144,415	1,886,233	147,781	2,152,718
Total	807,295	10,515,526	885,328	12,007,927
Northwestern Ontario:				
Calendar year	230,149	1,012,411	....	....
Monthly average	19,179	84,369	....	....
January	13,432	66,920	26,469	118,744
February	13,109	55,445	25,509	108,406
March	15,392	61,682	25,096	127,182
April	15,532	66,614	29,115	146,693
May	16,462	65,001	34,679	164,554
June	19,028	83,047	33,646	161,414
Total	93,021	400,154	174,514	826,943
Total for Province:				
Calendar year	5,025,725	42,737,276	....	....
Monthly average	418,810	3,561,439	....	....
January	394,233	3,289,032	449,357	3,682,708
February	360,398	3,228,222	425,332	3,602,966
March	402,055	3,402,238	436,759	3,847,635
April	397,958	3,539,563	447,590	3,813,989
May	419,368	3,346,147	469,626	4,079,320
June	428,266	3,553,300	455,502	4,179,045
Grand total	2,403,481	20,402,090	2,684,166	23,205,663

Cocos Island Fairy Tale Dealt With Pieces of 8

Famous Spanish Coin, Ancestor of Dollar, is Now of Interest Only to Collectors — Large Find Would Destroy Rarity and Value

Premature stories that Canadian treasure hunters on Cocos Island, off the coast of Costa Rica, had found the famous Devonshire treasure buried there by Captain Graham, of the British warship, Devonshire, are of interest for two reasons: one that the treasure of the British seaman who turned pirate was reported to have been found with the aid of a new metal diviner; and the other that the total of $60,000,000 was said to have been made up in great part by "pieces of 8."

The facts of the matter seem to be, in so far as they are in the possession of the Vancouver office of the company, that the diviner defined a spot 18 by 12 feet in the bed of the river where the instrument showed instant reaction. No similar reaction took place in the surrounding territory.

Ancestor of the Dollar

If it should turn out that this treasure is found and does contain a large quantity of "pieces of 8" the interest would be mainly to collectors who are inclined to value the famous "pieces" because of their romantic associations, and because pirates and treasure hunters of a century and a half ago set great store by them. The real value of silver in these coins would probably now be about 10 cents, although collectors would pay considerable amounts for them. If considerable quantities were obtained, the amount that collectors would pay would be smaller because the rarity would disappear.

In the history of currency the Spanish "piece of 8" (so-called because a piece had a value of 8 reals) will always have a prominent place because it was the ancestor of the Mexican dollar, the Newfoundland dollar, the British dollar circulating in Hong Kong and the State Settlements and the dollar of the South American Republic although many of the latter are now dollars only in name. The Spanish "piece of 8" dates back to the time of Ferdinand and Isabella in the 16th century. It was then commonly referred to as a dollar, derived from the German word "thaler."

When Bank of England Suspended

When the Bank of England suspended cash payments in 1797 and the scarcity of coins was very great, a large number of these Spanish coins, which had been taken from captured vessels and were held by the bank, got into circulation, after having been counter-marked at the mint on the neck of the Spanish king with a small impression of the head of King George III in an oval such as was used by the Goldsmith's company for marking plates. Others were simply over-stamped with the initials "G.R.," enclosed in a shield. In 1804 the Maundy Penny head set in an octagonal compartment, was employed. Several millions of these coins were issued.

These Spanish "pieces of 8" were also current in the Spanish American colonies and were very largely used in the British North American colonies. As the reckoning was in pounds, shillings and pence in the British American colonies great inconveniences arose and led to the adoption of a long list in which the various gold and silver coins circulating were rated. In 1787 the dollar was in use as the unit in United States and had become the standard of value either in silver or gold in that country. In Canada it was instituted in the '80's.

Tailings

Shareholders of the Rhodesian Selection Trust are in receipt of notice calling an extraordinary general meeting of shareholders in London, England, for July 26, to increase the capitalization of the company and approve of new agreements with the American Metal Co., Cull & Co., and the Lehman Corp. It is proposed to increase the capital from £2,500,000 to £5,000,000 and to reduce the issued debentures from $6,612,000 to $3,375,000.

* * *

The old Croesus mine east of Matheson, Ontario, and now operated by James Grant and Robt. Coffey, is to be further developed as soon as dewatering is completed. New pumping equipment has been installed and development is to follow dewatering in an effort to trace some of the old vein systems lost due to faulting. A ball mill has been installed and operations, which were started last autumn, are to be resumed on a somewhat larger scale, as soon as dewatering is completed.

A crew is at work at the old Horseshoe Mines in the Lake of the Woods area engaged in dewatering preparatory to conducting further exploration work which includes sinking the shaft a further 200 feet below the present 500-ft. level. New equipment has been ordered and work is to be proceeded with at once.

* * *

At the annual meeting of Musulira Copper Mines held in London, June 16, it was announced that the company's 1,500-ton plant in North Rhodesia had been completed last December, but in co-operation with other producers production was being withheld and its quota of copper allotted to the Rhokana Corp. The plant and equipment are being maintained ready to start production when the world copper situation improves. The financial sheet of the company shows 8,230,636 2s. shares out of the 9,000,000 shares authorized as being outstanding. The current liabilities of the company total £111,372 while current assets are £32,576.

* * *

Kitchener Kirkland Mines has announced that financing has been arranged for the further exploration of its property in Teck Township, Kirkland Lake district, Ontario. Work planned includes diamond drilling and further underground work. In earlier operations a shaft was sunk to a depth of 110 feet and a level established at 100 feet.

Granada Makes Big Quartz Find On 925 Ft. Level

From Our Own Correspondent

ROUYN.—A spectacular showing of quartz was revealed unexpectedly in development work at the Granada Gold Mines last week. Officials have been cautious about commenting on the new discovery since its width marks it among the best showings encountered in the mine to date. Sufficient time has not elapsed to determine its extent. The find was made on the 925 ft. level east from the vein, while following up faulted conditions on the No. 2 vein. The find is of particular significance to Granada since its gold values are confined almost entirely to the quartz which pinch and swell in the veins giving somewhat erratic value.

Early this year, with the advent of electric power from the Canada Northern Power Corp., the mill was stepped up to approximately 100 tons daily and production for the first six months of this year has averaged close to $30,000 per month, while operating profits have averaged close to $10,000.

Recent months have witnessed steady progress at Granada with mining operations changed over from shrinkage system, to a modified cut and fill system and operations generally timed to the increased mill capacity.

The electrification of the mill for 25 cycle power, together with additional equipment ran close to $50,000, all of which has been paid for out of operating profits. About six weeks ago a cyanide unit was added to treat the concentrates which have heretofore been going to the Noranda smelter. A recent clean-up of the cyanide plant showed it to be operating at a high degree of efficiency.

Included in the new equipment is an electrically-driven compressor which assures an abundance of air for development work. A new electrically-driven hoist replaces the air hoist on the winze from the 625 ft. level to the presently lowest level of 1,075 ft. This winze was sunk on the vein and it is the intention of the management to deepen this winze immediately to the 1,225 ft. horizon.

GOLD OUTPUT RISES AT TRAIL SMELTER

Ore Receipts 202,804 Tons for First Half of 1932

Following is a statement of ore received at the Trail smelter for the period June 22 to 30, 1932, inclusive:

Bell	Beaverdell	63
Goodenough	Ymir	52
Mountain Lion	Republic	60
Union	Lynch Creek	38
Victor	Sandon	31
Yankee Girl	Ymir	167
Total		411
Total Company		5,238
Grand Total		5,649

This makes ore receipts for the first half of the year as follows:

Company's mines	194,814 tons
Other Mines	7,990 tons
	202,804

The production for the second quarter of 1932 was:

Lead	30,929 tons
Zinc	17,118 tons
Copper	166 tons
Gold	8,861 oz.
Silver	1,449,815 oz.

The production for the second quarter of 1931 was:

Lead	36,678 tons
Zinc	30,087 tons
Copper	198 tons
Gold	5,224 oz.
Silver	1,450,665 oz.

BARCLAY'S BANK FAVORS GOLD BASIS

Would Continue Present System For Some Time, However

There is no practical alternative to a currency having a metallic basis, acording to the July Review of Barclay's Bank, Ltd., London, and it is questionable whether many countries would be prepared to accept any system which was not effectively based on gold. Notwithstanding this, the review states: "It would be better under present circumstances to continue without material change our monetary system as it is now working since the departure from the gold standard, and to await fresh results as may ensue from any settlement of reparation payments and of war debts, which should lead to a redistribution of gold as a foundation for fresh credit."

One of the most important matters to be discussed at the Imperial Economic Conference will be the question of future monetary policy, the review points out.

Barclay's Bank dismisses the paper standard owing to the probabilities of inflation under such a system and points out that no inherent weakness has been found in the gold standard. "The failure of the gold standard," according to the bank, "has been due largely to the failure to allow it to function freely, and to the influence of such factors as war debts and reparations, sudden cessation of foreign lending, excessive tariffs and other restrictions imposed upon international trade."

Restore Trade First

It is imperative that nothing be done in the formulation of an Empire currency system which would affect British credit abroad as London's position in world finance must be maintained for she must inevitably be the centre of any Empire plan, the review continues, calling for the utmost deliberation before any system is established. In this regard it is pointed out that London cannot perform her task as financial centre of the Empire until she is able to command adequate resources, that is, until Britain's position has been strengthened and confidence restored.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 54.5 for the week ending July 14, as compared with 52.8 for the previous week.

Eleven gold stocks rose from 55.1 to 56.4, four gold-copper stocks from 50.7 to 54.1, and five silver and miscellaneous stocks from 18.5 to 19.0.

Fly Gold Brick From Mine

A gold brick from the Cryderman mine, in Manitoba, was shipped to Winnipeg by airplane recently en route to the Mint, at Ottawa. This is Manitoba's newest gold-producer. It has a 50-ton mill and a crew of 35 men.

Railways Emphasize Value of Prospects

Prospecting of Mining Areas Near Transportation Offers Great Opportunities

JOHN A. DRESSER

Catch-words, like mottoes on the walls of old houses, become slogans and influences, as well as denoting popular opinion. Stock descriptions used in current stories and in the movies misrepresent more often than they describe many useful activities. Thus, in common parlance, prospecting implies long voyages, preferably arduous and adventurous, made by unkempt men clad in fearsome looking outfits, who subsist on raw meat or some other indigestible diet.

So strongly have these misconceptions become entrenched that the average prospector is not only affected by the lure of distance himself, but he finds it difficult to obtain a grubstake, even in frontier towns, unless his project includes a trip to some faraway place of which neither he nor his "backer" can possibly have any useful acquaintance. And when he applies for such support in a city he must promise to go even further away, the distance demanded being somewhat in proportion to the size of the town or city from which he sets out. The credulous ancients, who believed a pot of gold to be found at the end of the rainbow, have their modern counterparts. This absurd tendency must not be overlooked when we try to value the unexplored regions of Canada.

Transportation Big Factor

Transport is a major factor in valuing mineral prospects, whether this transport is effected by airplane or by wheelbarrow. With our miles of railway and our long watercourses, it is only common prudence to search territory adjacent to these before going further afield for ore deposits. Yet too often we seem to value a new railway, not because it conveys us into new territory but because it gives us a new starting point from which we may go still further away. When the Quebec-Winnipeg section of the Canadian National Railways became passable by construction trains, about 1913, the leading thought seemed to be that it would now be easy to go on to Hudson Bay (any reason for going there being rarely given) while the real benefit to the prospector was the opportunity to prospect new territory adjacent to the railway for one thousand miles of its length.

Distant Fields Beckon

In the fifteen working years that have since elapsed, (omitting the four years of the Great War) distant fields have occupied much of public attention. Yet only one mine in this thousand-mile section, the Howey, has been brought into production, at a distance greater than 50 miles from the railway. This, too, was facilitated by an excellent water route.

Meanwhile within 50 miles, and well within that distance, from the railway, there have been found and in most cases already developed, Siscoe Mine and neighboring prospects, Noranda, Waite-Montgomery, Amulet, O'Brien-Cadillac and adjacent properties, Aldermac, Beattie, Ashley, Long Lac and finally Swayzie and Pascalis fields.

This is only a natural result of position. Within the great Pre-Cambrian plateau the broad outlook for ore, as far as yet known, may not be greatly different at 50, 250 or 500 miles from present railways. But under the handicap of long transport, the chances of finding ore bodies that can be profitably proven is many times better in the nearer territory.

Make Railways More Useful

Fields of exceptional value such as Klondyke, or, we believe, Great Bear Lake, however remote, may warrant an entirely different scale of operations. They also require a scale of expenditure that is equally exceptional. But for a long time yet exploration for ore deposits of a size and value that come within common experience may well be concentrated on territory that is already provided with basic means of transportation. Left with a heritage of railways that is well nigh overwhelming, the maintenance of which is ultimately the concern of every individual citizen, no appeal should be needed to concentrate the immediate efforts of the Canadian people in promoting the discovery and use of all materials that are near enough to add to the usefulness of these railways.

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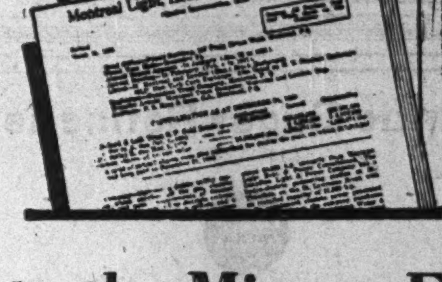
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